The Financial Post

The Canadian Newspaper for Businessmen and Investors

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Helps Locate Industry

Frederick John Lyle, Ontario Government's Industrial Commissioner, staged that province's first municipal conference on industrial development, a move to strengthen the drive by smaller Canadian centres to "sell" their services as industrial sites. Col. Lyle, 52, Brantford born, has served in two wars and been production manager in several Ontario tanneries, in 1945 was named Industrial Commissioner at Ontario House in London, in 194⁄, took present post.

THE NATION'S BUSINESS

Fear Longer-Term Effect Budget Trend

Finance Minister Abbott is counting heavily on Canadian business maintaining its present buoyant pace for at least another year. We hope he's right. In his budget there is no lessening of the total load business has to carry. But the nature of the reductions he proposes should have some stimulating effect on the economy as a whole.

Total cost of government this year, federal, provincial and municipal, is going to be higher than in 1947 in which year governments accounted for 23% of the gross national expenditures. In 1944, peak of the war, the figure was 46%; for 1937 it was 19% and for 1930 it was 15.6%.

Government spending of this magnitude may be the only way to please the mass of the voters. All political parties seem to think it is. But this upward trend is ominous, both for the survival of our institutions and of our freedom.

The Government can most certainly be commended for its recognition that changes were long overdue with respect to double taxation, the encouragement of small business and allowing for obsolescence.

Could Be Dangerous

But this budget continues the "what-we-have-we-hold" policy because the concessions to job-making enterprise are more than offset by an increase in the corporation tax rate. In the last few years when profits have been fairly lush, the tax rate has not been a fatal barrier to new capital investment. But the profit picture for the next five or 10 years is likely to be very different. Then, it's going to be important in the extreme to encourage capital investment to create employment and maintain our rate of national development. This can only be done if business is allowed to accumulate capital to finance such new investment. The increase in the corporation tax rate may be popular now and it may forestall criticism from the Socialists but it will be a factor in creating unemployment later on.

The Government has failed also to give sufficient recognition to the junior executive group, the younger men on their way up now earning $5,000 to $15,000. For them the tax reductions are inconsequential. It is this group for whom the temptations to take jobs in the United States are greatest and whose departure is not good for this country.

In the main, the budget emphasis is on relief for the consumer and the smaller income family. For business and industry, the load continues to be enormous. With today's desperately high break-even points small changes in volume will produce drastic changes in business earnings, and Mr. Abbott is going to be surprised if this milk cow isn't as good a source of revenue as estimated.

Mr. Abbott is budgetting for a pretty close balance between revenues and expenditures, and any significant decline in the general pace of business could put Ottawa in a bad spot. With the Dominion Government commitments (social services, veterans, debt charges, etc.) now so enormously high compared with prewar, any miscalculation or sudden emergency could have grave consequences indeed.

For the Most People

Though he did not mention the coming election, Mr. Abbott does nothing to hide his interest in the affections of the voters. He makes his reductions where they will be directly felt and seen by the largest number of people.

He says: "The present economic situation is such that it is more appropriate this year to encourage increased expenditures by consumers, rather than capital expenditures by business." He implies that there are plenty of consumer goods now available and that a little extra spending here is all to the good in helping maintain business volume. But as to capital expenditures by business, he argues that equipment and machinery are still generally hard to come by and that construction costs are still enormous. Official studies for budget-making purposes showed that this year there would be a considerable decline in private plant investment; that this phase of the postwar boom is now over.

The new budget is at least consistent in directing its main concessions at lower incomes. On incomes from $10,000 down, the tax cuts range from 18% to 100%. On incomes from $10,000 up the cut ranges from 18% to 5%.

Even in the revision of the nuisance taxes, the same policy holds in the main. The levy on soft drinks, candy and gum goes ("something for the kiddies") but there is no change whatever in the towering taxes on tobacco and watered liquor.

In all the reduction in excise tax amounts to $86.5 millions. Whether or not consumers will get the full benefit will depend on the provincial and municipal governments. In the past, some of these secondary governments have had a bad record for leaping into tax fields as soon as vacated by the Dominion. They did it on gasoline and amusement taxes. Let's hope that trick isn't played again.

Shortage, Not Price Cuts New Car Sales

Production Slowdown Due to Changeover on Models Has More Effect Than Taxes—April May Bring Upswing for Dealers

BY RONALD WILLIAMS

Despite reports from Ottawa that auto manufacturers were pressing Finance Minister Abbott for removal of the 10% excise tax on new cars, no one in the industry really expected it.

The reason given for the lobbying was a sharp drop in new cars sales; down 33% in January. The reports claimed that the tax (around $300, on popular makes taking 8% sales and 10% excise) had pushed car prices so high that sales were falling off.

The real explanation is said to be lack of cars to sell, not a shortage of buyers. General Motors and Chrysler were shut down for a good part of December, all January and part of February during model changeovers. Some Chevrolet dealers, for example, didn't have a car to sell from the end of November until a few weeks ago when 1949 models appeared.

Now all three manufacturers are rolling again. Sales are expected to climb quickly to above last year. First noticeable upswing is expected in April when GM and Chrysler cars begin flowing to dealers in volume.

The industry would like to see the tax off but, even with it on, they fully expect to sell all the cars they can make this year without any trouble (around 150,000). They have been told repeatedly by Finance Minister Abbott that the tax would stay on until there were definite signs that it was causing unemployment. So far there's been no signs that it has or will, at least for a year.

On the face of things, DBS statistics on car sales look bad. Total January sales were down from 9,324 a year ago to 6,216 this year. Retail value dropped 23% from $17.2 millions to $13.1 millions. However, truck sales were up 20.4%.

By regions, biggest reduction (44%) occurred in Sask. Others: Que. down 43%; Maritimes 61%; Man. 35%; Alta. 50%; B.C. 56%. Only Ont. came close to holding its own; there the drop was only 7%.

Partial explanation being offered for this is that Ford flooded the rich Ontario market while its competitors were shut down.

Thus Ford skimmed a lot of the cream off the Ontario market while GM and Chrysler couldn't

(Continued on page 3, col. 3)

Will ITO Charter Permit Importing of Used Cars?

OTTAWA (Staff) — An important order of parliamentary business early next month will be approval of the Geneva trade agreements and the International Trade Organization charter as agreed to at Havana.

Last year the Government submitted the Geneva agreement to Parliament. Extensive sittings were held by banking and commerce committees in both Houses. When nothing was done by the United States to implement the agreement, and pending clarification of the Havana charter in the U. S. Congress, the agreement was laid to one side without parliamentary approval.

Presumably, Parliament will again want to look at both the agreement and the charter in light of changes in international conditions. Whether extended committee hearings for the agreement can be avoided is still not clear. Probably not, since certain new clauses of importance to Canada as approved at Havana have meanwhile been substituted for the wording agreed on at Geneva.

Since no action on either of these matters has yet been taken by the United States, it is presumed that Parliament will be asked to approve the agreements subject to proclamation if, as and when the United States approves them.

Later, it is expected, the Government will consider the passage of controversial legislation needed if the I.T.O. charter is ratified and becomes effective.

The most controversial legislation is that involving import of used cars and planes. Under I.T.O. Canada would not be able to prohibit import of used cars and planes. Nor would she be able to prohibit import of margarine. Presumably the margarine matter is now "dead duck" although just where provincial bans would stand in respect of the country's over-all international obligations is another matter.

Tax Concessions in Nfld. Ruled Out in New Budget

For some the biggest dynamite in the budget was an innocent-looking sentence away at the tail of the Abbott budget resolutions.

> "That tax concessions under Statutes of Newfoundland shall not apply in respect of taxes imposed by any Act of the Parliament of Canada."

To induce companies to start in Newfoundland, the local government for many years had been in the habit of making substantial tax concessions. These deals or contracts were incorporated in the Newfoundland statutes.

Some of these tax agreements still have some years to run and the beneficiaries hoped that union with Canada would not in any way interfere with them.

But the Abbott clause blasts that hope, and forestalls what might have become a torrent of litigation.

Beneficiaries of these deals had hoped to protect them by arguing at law that under the terms of union, these exempting agreements and statutes could not be set aside by the Dominion Government acting on its own authority.

Mr. Abbott's little clause blasts that hope entirely.

PRICES

Following Abbott speech, immediate announcements were made by manufacturers and retailers of candy, gum and soft drinks of price drops to conform with budget provisions.

Rise in bread prices was anticipated since withdrawal of 46½c a bu. on wheat used by bakers meant increase of 1c a loaf to them.

Lead price reductions (a total cut of 3½c lb. to 18c) were quickly reflected at consumer levels in U. S. this week but at midweek no such cuts were in sight in Canada. U. S. examples:

Auto batteries off 15%;

White lead paint down 2c a lb. to 19½c.

Lead sheet and pipe manufacturers, producers of tetraethyl lead for gasoline also cut their prices.

Nonferrous metal markets were still unsteady as result of the sudden lead reduction.

Scrap copper was particularly slow to move despite reduction of 2c a lb. for many grades.

Platinum price was cut $6 an ounce to $72 wholesale, representing a reduction of about $21 an ounce since beginning of the year.

Quicksilver declined $1 a flask (76 lb.) to $87-$90.

Automobile industry had its second price cut in the U. S. in three weeks. Willys cars and trucks were reduced $25-$270.

Radios and radio-phonograph combinations in the U. S. were cut 6%-25% by Philco in a "drive to spur lagging sales."

Bituminous coal dropped 25c a ton in U. S. despite beginning of two-week walkout by miners.

Butter prices in Canada were still falling in face of a no-buyer situation at wholesale and increasing margarine competition. On the Toronto wholesale market at midweek quotations were 56c per lb. for No. 1 prints and 51c for No. 2, off 1c from a week ago.

In Montreal, however, prices held at 60c-61c, reflecting the industry's protected position there as a result of the Quebec margarine bill.

Rail Rates Set Cheaper Than Ocean to N'fld

From Our Own Correspondent

ST. JOHN'S—Freight rates on the Newfoundland railway system to be put in operation April 1 when CNR takes over were tentatively set this week, and generally they are lower than those presently in operation.

Examples: Onions, Montreal—St. John's present rate 160 cents per 100 lbs., new 101 cents; flour, same route, 99.9 old, 90¼ new; flour Toronto-St. Johns, old 99.9, new 100¼; dried beans Renfrew-St. John's, old 130, new 101; feeds Montreal-St. John's, old 109.9, new 90¼.

With the exception of flour from Toronto most new rates show considerable decrease from present rates. From Montreal rail rates are almost on a par with Montreal ocean rates and in some cases are lower.

Onions, carrots, etc., by ocean rates cost 105 cents per 100 lbs., new rail 101. Goods subject to the Maritime Freight Rates Act will also travel considerably cheaper by rail than by ocean.

Goods crossing Cabot Strait will be classed all-rail traffic for purpose of the Maritime Freight Act.

Feed freight subsidy will also make rail feed rates below ocean rates. To combat this steamship lines operating from here may reduce present rates by 10%—one manager predicts but there's nothing definite on this.

All lines here have stated however that they will meet reduced rail rates on competitive basis. Ocean rates to Newfoundland have always been cheaper than rail, and 86% of imports have traveled by water in the past.

Because Maritime goods and feeds and some other goods will be carried cheaper by rail it is said here that railway will have to cope with considerably increased traffic and doubts are expressed that present system will be able to carry it.

Help For Common Stock Seen in Budget Changes

Investors generally welcomed Mr. Abbott's "first step" in dealing with the problem of double taxation of corporate profits, but at the same time began calculating how to rearrange their investments to take advantage of it.

The proposal seems to be favorable to common stocks at the expense of preferred stocks and of bonds. Obviously there will be a very real tax advantage to the holder of common stocks in getting a deduction from his personal income tax of 10% of the amount of dividends received from common shares of Canadian taxpaying corporations.

As the shares must meet the qualifications of "having no preference of any kind," a second reaction in the financial community was that certain companies may rearrange their capital structures for the benefit of their shareholders. In some cases, this may mean recapitalization plans for investment dealers and/or lawyers to work out changes of preferred stocks to common stocks. Other companies, e.g. where the preference is only one of voting power, may only have a minor adjustment to make.

One result of this step, combined with the reduction of the corporate income tax on the first $10,000 of taxable income of 10%, may be to help to stimulate investment in small business and new business, dealers hope.

A further small concession to investors was the raising of the exemption from the 4% surtax on investment income to $2,400 or to the total of the taxpayers' personal exemptions, whichever is the greater, from $1,800. This will be particularly welcomed by widows, retired people, and others dependent on investment income. It is noted, however, that while this is mentioned in the budget speech, it is not in the resolutions, where it will have to be for effect.

Aid For Family Business?

Possibility of some relief soon for the family business, which is now under threat of a large tax liability on winding up, is brought to the fore in this year's budget.

While no specific plan will be proposed at this session, Mr. Abbott revealed: "We have been considering a plan under which a straight percentage tax paid by such a corporation at the time of winding up or at the time of capitalization of earned surplus will relieve the earned surplus of tax liability in the hands of the eventual recipient.

"Whether this would be equitable and, if so, what the flat tax should be, are questions which require the most careful consideration . . . I hope that there may be an opportunity of having a plan of the type mentioned discussed when we are in committee."

The difficult position which many families find themselves in when their business growth has been financed by ploughing back profits over many years, together with the Government's position, are pointed out by Mr. Abbott:

"At present, on winding up, the total distribution of assets becomes taxable in the hands of the recipients at personal income tax rates in the year in which the assets are distributed.

So severe is the application of our present law in such cases that many such businesses have been driven into a great variety of extremely complicated and cumbersome devices to secure legal avoidance of the excessive tax burden to which they are now potentially liable.

"As a result, we are losing revenue to which we think the public treasury has a justifiable claim."

OTHER TAX CHANGES, PAGE NINE

Rough Road For Tire Makers

Domestic and Export Sales Show Drop

BY W. L. DACK

Although more tire rubber than ever before is being worn thin—and at a faster rate—on Canadian highways, tire manufacturers are finding themselves with a mounting inventory problem on their hands.

It's resulted in greater than seasonal curtailment in production and lay-offs at several large plants. Sales outlook for 1949's first half, at least, points downward.

Tire manufacturers aren't unduly concerned. It's just a case of waiting for the replacement market's second round, they think. That should begin to pick up again towards the end of the year. About then the average motorist, whose postwar scrambling for new tires helped push annual production to a record high of 4.8 million units in 1947 (up 85% from 1939), should be pretty well down past the treads.

Meanwhile the industry is slowed down by a glutted replacement market and still declining export sales. Though demand from new car manufacturers is still rolling along at record levels, this market at best can only absorb around one third of annual production. Last year it took around 35% of output, prewar it ran closer to 29%. Some easing in this market is anticipated towards the year's end.

Tire makers pin their hope for a higher plateau of replacement demand than prewar (some officials estimate it at anywhere from 25-35% higher) on mounting motor vehicle registrations in Canada (1947 total was up 40% from prewar), more and better highways, and a hoped-for higher level of general business activity.

In the event of a sizeable slow-up in business tempo lower car operating and maintenance costs should help bolster sales.

Concern Over Export Drop

Biggest concern is the sharp decline in export market. Dollar shortages have hit the tire industry heavily. Proportion of output going to export has dropped from the usual prewar level of around 25% to around 15% in 1948. It is running lower still in 1949 so far. No improvement is in sight at the moment.

In the case of a highly competitive industry, with a productive capacity considerably in excess of domestic requirements, loss of even a portion of the normal export market means serious unsettlement to production schedules. This could be even worse when current abnormal demand from the new car market starts to ease off.

Tire manufacturers claim they are operating on sharply reduced profit margins, and have been able to do so only through production economies brought about by heavy volume and new equipment. Practically every cost item that goes into a tire has risen sharply during the past three years, with the exception of rubber.

Average price of No. 1 red smoked sheets—top quality tire rubber—since Jan. is 18-15/16c a lb. Average price of same grade in 1939 was about the same.

In new cars the trend is towards larger tires with lower air pressure. This, of course, necessitates more raw material. In 1948, 91 million lb. of rubber (both natural and synthetic) went into production of Canadian tires and tubes. Record high in 1947 was 102.7 million lb. Synthetic rubber represented 47.2% of 1947 total; only 25.2% of last year's total.

Belgian Bank Move An Example Here?

Ottawa Studies Belgium's Move to Make Bank Notes Convertible to Export Goods; Easing of Travel Restrictions Aid to European Funds

By KENNETH R. WILSON

OTTAWA, (Staff) — The Government is examining "very carefully" the recent daring action of Belgium in making bank notes "convertible into goods for export" and in removing curbs on frozen U. S. and Swiss bank accounts.

This examination is said to be in line with a statement made last week by Finance Minister Abbott that "the last thing the Government wants to do is to take a rigid attitude towards exchange rate questions." Opposition critics have also urged greater "flexibility" in present exchange control regulations.

This also points up this week's press release easing travel restrictions for Canadians to certain countries in Europe. Mr. Abbott is quoted as saying Canada is prepared to give "sympathetic consideration" to other European countries which wanted to make "special arrangements" with Canada such as those now enjoyed by France, Belgium, Netherlands, Luxembourg, Norway, etc.

Under these special arrangements, these countries agree to keep their residents out of the unofficial market for Canadian dollars. In return, residents can use any Canadian dollars they receive from Canadians for any spending they have to make, including payment for exports.

Move Against Devaluation

Any action by Canada along the lines of the Belgian move would be in line with the Government's determination to keep the Canadian dollar a "strong" currency and not "devalue" in terms of the U. S. dollars. (See separate story this issue).

In short, similar action by Canada would involve possible removal of much or all of the supply of dollars now flowing into the unofficial market at New York. It would be a "courageous gamble" that Canada could be even more liberal than now in absorbing for export trade, and at par, some or all of the dollars which now accumulate on the unofficial market at New York.

The chief action taken by Belgium on March 8 was the declaration that all holders of Belgian bank notes in foreign countries may now ship them to Belgium, establish a special bank account and use this account to purchase Belgian goods for export to any other country.

Another step taken at Brussels is to permit U. S. and Swiss individuals and companies whose accounts in Belgian banks had been frozen since the war to use the money freely for purchases in Belgium of exportable goods.

Canadian regulations in this respect have for some time been more liberal than those in Belgium.

The effect of this action, according to press reports from Switzerland, has been "a success far beyond expectations." The 20% discount on Belgian currency in Zurich has apparently disappeared for the time being at least. Transactions considerably over 100 million francs, mostly from U. S. are reported at Zurich during the first two weeks of the new policy.

Reason for this "daring" move by Belgium was the sharp decline in her export business in

(Continued on page 3, col. 4)

Inside News

B. C. "Fattens Out"

British Columbia is "fattening out," pushing her industrial frontiers north and eastward from the "developed" areas. Slated for the year are several impressive industrial projects, a large power expansion program. The Post's special report featuring these developments, reviewing the province's industry, business, finance, starts on p. 29.

Marshall Plan Boomerang

Troubled days are ahead for Canada in world trade. The Marshall Plan has boomeranged. Britain and the ECA nations are doing so well at enlarging trade among themselves they're building a picket fence against the dollar world. Outcome of their barter deals can hit all our pockets (p. 15).

Do You Work Too Hard?

Executives on the whole work too hard, play too little for the good of themselves and the interests they serve, says a large corporation's medical officer. Are you one of the all-work-no-play types? Are you afraid to let down, relax, take a vacation? (p. 15).

Drum Hospital

Hospitals for tired, battered, steel drums has become big business in Canada. Over one million drums will be given the new look this year. They'll get scoured out, have their dents smoothed, be given new paint jobs before hitting the road again. Besides cutting shipping costs, the drum reconditioning industry saves Canada thousands of tons of much needed steel (p. 17).

MacNab Raises Quality

MacNab's investment manager has to raise quality of portfolio holdings, even though it may result in some dividend income loss. The investment account has been operated along the lines of formula planning programs — a percentage of common stocks has been sold after market upturns and proceeds reinvested in bonds, the reverse process being performed on downward moves (p. 5).

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Price Delays Sale of OLHP

OTTAWA (Staff) — Discussions between Ottawa Hydro Commission and the Ottawa Light, Heat & Power Co. regarding purchase of the latter company, have been temporarily adjourned.

Reason for the adjournment, it is reported, is the present gulf between buyer and seller as to price. Adjournment will give an opportunity for further study and information as to the computed worth of the property.

Recently two new commissioners were added to the local Hydro. Frank H. Plant of Ottawa is the new chairman, replacing P. D. Ross who resigned due to ill-health.

Pace of Business

Department store sales week of Mar. 12 were 3% above corresponding week last year. Largest gain was in Manitoba (19%). Saskatchewan and Alberta were each up 11%.

Dividend payment index (1935-39=100) as reported by Nesbitt Thomson: 217.5 for March, compared with 215.7 for February, 194.5 for March, 1948.

Merchandise imports totaled $223.8 millions for January, down $8.2 millions from December but up $17.7 millions from year before.

Highway traffic between Canada and the U. S. in January totaled 430,200 vehicles, 17% above same month last year. Canadian traffic returning increased 39%; U. S. traffic entering Canada was up 9%.

Average weekly earnings of hourly rated personnel in manufacturing at Jan. 1 amounted to $39.46, $2.01 below Dec. 1, but $6.29 above Jan. 1, 1948.

Farm prices of agricultural products index (1935-39=100) for January: 258.0, 1.4 points below revised December figure, 17.4 points above January last year.

Canadian labour income for December: $618 millions, $15 millions lower than November, $67 millions above December, 1947.

Coal production in February 1,673,500 tons, an increase of 45% over last year. Increases mainly in Alberta Saskatchewan and British Columbia. Imports were down 25%.

Carloadings week ended March 12 totaled 74,194 cars against 72,671 in previous week, 74,642 in corresponding week of 1948.

Paint sales in January: $5,539,000 compared with $6,538,000 last year.

Salt production in January: 61,000 tons vs. 54,600 a year ago.

Margarine production in Canada amounted to 2.3 million lb. up to February 9.

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Sizes 6 to 15—
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EATON'S

N.S. Lt. & Pr. Stock Offered

MONTREAL (Staff) — Shareholders of Nova Scotia Light & Power Co. are being offered an additional 12,572 $100 par preference and 83,810 npv ordinary shares under a plan decided at a special general meeting of shareholders last week. New issue has been approved by the Nova Scotia Board of Commissioners of Public Utilities.

The 4½% cumulative redeemable preference shares are being offered to present shareholders on the basis of one share at $99 a share for each 20 shares, whether preference or ordinary, now held. Ordinary shares' subscription price is $15 per share on basis of one new share for each three shares, whether preference or ordinary, now held. Offer expires at noon April 16.

Royal Securities Ltd. has agreed to purchase the unsubscribed portion of both issues, the preference at par less 4% commission and the ordinary at $16 per share. Unsubscribed preferred shares are being offered at $98 per share.

Proceeds will go towards cost of additions to plants and properties of the company and its subsidiaries. These additions are expected to cost not less than $3,861,500 in 1949, prospectus states.

Consolidated net profits average for the past 10 years is $447,921, prospectus states. The net profit for 1948 was $752,750.

Capitalization after giving effect to the new financing will consist of $7,357,000 3⅜% and $3 millions 3¾% first mortgage bonds; 24,300 6%, 12,572 4½%, and 20,000 4% preference shares, $100 par, all outstanding 300,000 authorized, 290,948 outstanding ordinary shares, no par value.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

American Society of Tool Engineers—Robert B. Douglas (Montreal), president.

Assn. of Toronto Hotel Proprietors—Jack Corcoran, president; Thomas Holmes, vice-president; Earl Torno, secretary-treasurer.

Beatty Bros. Ltd. (Fergus, Ont.)—George E. Beatty, vice-president and general manager.

B.C. Retail Hardware Association—D. S. McDiarmid, president; Neil Gibney, David Holden, vice-presidents.

Canadian Fan Manufacturers' Assn. (Windsor, Ont.)—A. H. Blake (Toronto), president; J. H. Gregory (Kitchener, Ont.), vice-president; L. O. Monroe (Windsor) secretary-treasurer.

Canadian International Trade Fair (Toronto)—William Clouston, customs committee vice-chairman.

Canada Trust, Huron & Erie Mortgage — Andrew B. Graham, member of Vancouver advisory board.

Canadian Assn. of Ice Industries—Leslie Wilkins (Kitchener, Ont.), president; C. W. Goodrich (Vancouver), vice-president.

Carling Breweries Ltd. — Lou Krugel, Toronto district asst. manager; Jospeh J. Barnicke, Western Ont. district asst. manager.

CNR (Montreal) — W. J. Riesberry, manager of National Terminals of Canada, Montreal Fruit & Produce Terminal Co., Montreal Stockyards Co.

Central Metals Ltd. (Hamilton, Ont.)—S. Bailey, manager.

Commercial Life Assurance Co. of Canada—E. B. Shaver, general manager.

Canadian Assn. of Broadcasters—Edmund Morris (Ottawa), public relations counsel.

Dominion Govt. (Ottawa)—Escott Reid, deputy undersecretary of state for external affairs.

George Weston Ltd. (Toronto)—Henry T. Champ, sales manager.

Walsh International Advertising Ltd. (Toronto)—John M. Milne, export merchandising counsel.

House of Seagram — Harold C. Cox (Montreal), comptroller.

Imperial Life Assurance Co. of Canada — J. B. Silvester, an asst. secretary.

Minnesota & Ontario Paper Co.—Edward A. Johnston, comptroller.

Northern American Life Assurance Co. (Toronto) — Collin B. Mooney, Victoria branch manager; Harold Webster, Victoria city manager; Lewis V. Tibert (Saint John), New Brunswick agency asst. branch manager.

Royal Trust Co. (Vancouver) — J. W. Hewitt, Stanley V. Smith, asst. manager; F. E. Winslow, member advisory board; R. W. Phipps, Victoria branch manager.

Royal Society (London, Eng.)—Dr. David Aylmer Scott (Toronto), a fellow.

Shell Oil Co. of Canada—E. G. Robinson (Calgary), a vice-president, in charge Alberta organization.

Sterling Steel Co. (Montreal)—J. S. Fraser, Quebec Province representative.

Tuckett Ltd. (Hamilton)—Francis Vila, director in charge sales; Harry Wilson, sales manager; C. C. Thompson, manager Eastern sales division.

University of British Columbia (Vancouver)—Dr. Myron M. Weaver, dean of new medical school.

World Brands Ltd. (Toronto)—A. G. Johnson, marketing director; A. A. Duncanson, general sales manager.

Beatty Bros. Ltd., Fergus, Ont., announces retirement of W. L. Ham, vice-president and general manager.

Commercial Life Assurance Co. of Canada announces retirement of J. W. Glenwright, president and managing director.

Obituaries

J. E. A. Benoit, 73, St. Johns, Que., architect.

William Marshall Blanchard, 69, Toronto, former advertising manager Imperial Tobacco Co.

Alex S. Farrell, 48, Amhert, N.S., former Maritimes field representative Dominion dept. of labor.

Harry Robert Hutchison, 79, Montreal, retired building contractor, noted amateur curler.

Reginald Edward Hyson, 74, Mahone Bay, N.S., local agent Sun Life Assurance, former mayor.

Dr. Louis H. Lorrain, 89, Montreal, dean of Montreal area veterinary surgeons.

Victor Gordon Moore, 51, Toronto, secretary-treasurer Moore Bros., lumber dealers.

James D. McKenna, 74, Saint John, onetime reporter, editor, publisher, mayor of Saint John, New Brunswick legislator.

John Henry Legge Patterson, 76, Toronto, former manager Miller & Richards Type Foundry.

Charles Fraser Pringle, D.D., 76, Vancouver, Yukon gold rush parson, World War I padre, United Church minister, teacher, lecturer, author.

William John Wadsworth, 63, Toronto, former member city board of control, Ontario Liquor Control Board inspector.

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ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

McKim Advertising Ltd. (Montreal) says Butterfly Hosiery Co.'s new campaign will be based on survey results which show seven out of 10 women in all age groups prefer to wear nylons inside out. Theme is that Butterfly nylons are made that way. Ads in 420 line space will appear throughout spring months and from fall to Christmas in wide list of dailies, national weekend papers, and women's magazines; street car cards in seven cities from Montreal to Vancouver; variety of point-of-sale material.

McKim Advertising Ltd. reports 1949 spring campaign for Morton's Noodle Soup Mix has been released through Harold F. Ritchie Co., manufacturers, agents. Previously tested in Toronto zone, this new cartoned soup mix will be promoted by dramatized spots on 12 radio stations; and by newspaper and streetcar ads stressing appetite appeal and package identification.

* * *

The James Fisher Co.'s client, Johnson Matthey & Mallory Ltd., is broadening its advertising program, now that new plant at Mount Dennis is in operation. Announcement of the new plant was made through double page spreads, in two colors, in trade publications. Advertising for Mallory Division, at present, will be full pages, monthly, in electrical publications' field.

* * *

The Financial Post appoints Edward "Ted" Enright to its advertising sales staff. Born in St. Louis, Mo.; navy veteran; attended University of Toronto; previous advertising selling experience in Toronto.

* * *

McKim Advertising Ltd. opens 1949 campaign for Sulette and Formula slips, two leading Silknit lines, with half pages in two colors in women's and fashion magazines, and special sizes in two other publications. Seasonal showings of billboards in selected zones will use same campaign themes and art technique. Point-of-sale material and trade papers are planned.

* * *

McKim Advertising Ltd. appointed advertising counsel for Newfoundland-Great Lakes Steamships Ltd., new company for bulk freight service between Toronto, Hamilton, Ontario, and St. John's, Newfoundland. Announcement and follow-up campaign, now being planned, will use newspapers and direct mail.

* * *

Rutland, Gilchrist & Clem Ltd. (Toronto) tests radio in Toronto market for Modern Planned Kitchens Ltd. of Toronto, with initial thrice-weekly program over Toronto station. Magazine and newspaper ads released, and dealer newspaper ads in selected dailies are planned.

* * *

J. J. Gibbons Ltd. (Montreal) appointed, effective April 1, by Helene Curtis Industries to direct advertising for Suave, liquid shampoos, and other hair preparations. Recommendations are being prepared for consumer advertising, trade announcements and sales promotion.

* * *

Supporting advertising for "Aluminum House" promotion sent net advertising revenue of April issue, Canadian Homes and Gardens, to highest point in 24-year history of publication. T. Eaton Company Limited ran large size daily newspaper announcements in Toronto where full-scale furnished house was unveiled in College Street store and in Montreal, Hamilton, Winnipeg, and Vancouver where models and furnished rooms were shown. House was designed for Aluminum Company of Canada, and installation in College Street store was built with co-operation of a number of manufacturers.

* * *

Rutland, Gilchrist & Clem Ltd. (Toronto) will break special introductory campaign for Polar Cola Co. of Canada in Toronto dailies early in April, to be followed by complete advertising and promotion plan in step with production and distribution. Erection of a syrup concentrate and bottling plant in Toronto is planned; bottling is now done there but plant capacity is inadequate to present requirements.

* * *

McGuire Advertising Ltd. (Windsor) is about to launch Austin Motor Co. (Canada) Ltd.'s spring campaign, using dailies from coast to coast, plus selected national magazines and trade publications. Copy stresses economy of Austin-built cars and trucks, particularly low-cost A40 Devon.

* * *

Kenyon & Eckhardt Ltd. (Toronto) reports on two Kellogg Co. premium promotions. "Pep," and "Rice Krispies." Both are supported by weekend comic ads, 500-line black and white ads in a large number of dailies, and store posters. The "Pep" promotion consists of aluminum wing inserted in package, which, combined with two-color cutout on box can be assembled into rubber-band plane. The "Rice Krispies" mail-in offers individual name pin (for use on scarfs, suits, sweaters and ties) for 15c and two box tops.

* * *

Walsh International Advertising Ltd. appoints John M. Milne export merchandising counsel. With Moffats Ltd. until recently Mr. Milne is an engineer; was RAF pilot 1939 to 1944; wounded; has traveled in Europe and Latin America.

* * *

O'Brien Advertising Ltd. (Vancouver) appointed by Vancouver Ice Dealers Association. A local campaign, using small space in dailies during April and May, will follow current national advertising of Canadian Ice Foundation in consumer magazines. Use of ice in preserving freshness and vitamin content of food products will be main theme. Ads will stress 25% saving by taking ice on five-month contract.

Pan Western Heads New Well Drilling

Pan Western Oils, Consolidated Homestead and Long Island Petroleums have announced initiation of well drilling program in the immediate vicinity of Edmonton on a seismic high developed by Imperial Oil.

First well in program — Pan Western et al.—West Edmonton No. 1—will be drilled in L.S.D. 14, Section 21-52-25w4, on western fringe of Edmonton Country Club. Contract has been let to Devon Drilling Co., which is moving in a new rotary to test all formations down to and including Devonian.

Cost of well will be shared as follows: Pan Western 50%; Con. Homestead and Long Island Pete. 25% each. Three companies hold 640 acres secured from Woodvan Syndicate of Vancouver. Negotiations were concluded on a 60-40 basis, after deducting drilling and operating costs. The three partners also hold 320 acres, subject to a 12.5% royalty.

Lever Bros. Announce World Brands Set Up

Lever Bros. Ltd., Toronto, President C. A. Massey announces organization of World Brands Ltd. to handle marketing and distribution of Birds Eye frosted foods, Lipton's tea and chicken noodle soup, the new Lever "Good Luck" margarine, and grocery trade distribution of certain Pepsodent of Canada products.

World Brands is based at Lever House, Toronto with A. G. Johnson marketing director; A. A. Duncanson general sales manager. Mr. Johnson was until recently Canadian executive vice-president of Thomas J. Lipton Ltd.; Mr. Duncanson was sales supervisor of Birds Eye Foods (Canada) Ltd.

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"HUSH-A-PHONE"
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(Canadian Distributor)
1040 Sherbrooke St. W., Montreal. MA. 5446
Literature on Request

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This is an opportunity for a capable, vigorous and forward-looking man, willing to work hard if the results are worth his while. The newly-formed Porcupine Chamber of Commerce is in the market for a Secretary Manager. There are more than 1,000 members for this organization in the richest gold-mining area in the world. The man we want must be a worker and must possess initiative and drive. He must have personality plus and the native ability to do a big job properly. If he is bilingual, so much the better, although that is not essential. To the right man a salary will be paid commensurate with the responsibilities of the job. Applicants should give complete details as to their background, age and experience and some indication of salary expected. Applications may be addressed to: The Porcupine Chamber of Commerce, Post Office Box No. 622, Timmins, Ontario.

INDUSTRIAL SPACE
FOR SALE OR LEASE
AVAILABLE—TORONTO AREA—4 TO 6 MONTHS
FINLEY McLACHLAN 105 FAIRBANK AVE
ORCHARD 2333 — TORONTO

THE PUBLIC SERVICE OF CANADA
REQUIRES
An EXAMINER, $4,800-$5,400
AIR TRANSPORT BOARD, OTTAWA

Poster announcements giving full details on display — and application forms obtainable — at Post Offices, National Employment Service Offices, and Offices of the Civil Service Commission throughout Canada.

EXCELLENT OPPORTUNITY
TO INVEST FROM
$150,000 to $250,000

In an established, profitable, and well managed business.

Large turnover.

To insure continuation of present successful management entire staff will be retained.

All details will be supplied to seriously interested investor.

PLEASE WRITE TO BOX 777 THE FINANCIAL POST
640 Dominion Square Bldg., Montreal, Que.

GROWING
with Canada's commerce

On rivers, lakes and oceans pass the ships of commerce of a great and growing country. That commerce is the life-blood of Canada. Without her water communications, Canada would be far removed indeed from her present development.

Marine Industries Limited contributes in many ways to the maintenance and development of the nation's commerce. From our shipyards at Sorel come ships of all descriptions — from tugs to ocean freighters — which help keep Canadian commerce moving. At Sorel are the repair facilities essential to the maintenance of good shipping. Here too is based the dredging fleet of Marine Industries which creates new port facilities in many parts of Canada, opens up new waterways to navigation and keeps existing facilities in efficient operation.

Growing with Canada's commerce, Marine Industries Limited is equipped to build ships of any type up to 10,000 tons, has the facilities adapted to every kind of ship repair work, and the experience and equipment to undertake dredging projects of every description anywhere.

MARINE INDUSTRIES LIMITED
MONTREAL SOREL VANCOUVER

Tax Cuts, Other Refunds Now Total $850 Millions

By KENNETH R. WILSON

OTTAWA (Staff) — A grand slam budget paving the way for an immediate appeal to the country shortly after the Easter recess was certainly the real news which came from the government via Finance Minister Abbott this week.

The government "shot the works" in giving taxpayers every ounce of relief that could be squeezed from the present fiscal and economic outlook. It even cleared out the controversial $49 millions soft drink and candy taxes, lock stock and barrel, probably against the advice of its experts.

Highlight of the budget story was a $322 million shot in the arm to taxpaying consumers, based on the premise that there would be "sustained prosperity" in Canada in 1949. As stated by Mr. Abbott here is the basic fiscal and economic argument behind the budget story.

Mr. Abbott expects the present level of production and income for the country as a whole will persist throughout the coming year. Mr. Abbott said nothing about an election.

Apart from tax changes the Government used the cover of tax slashes to extricate itself from the flour subsidy and bread ceilings, thus saving the treasury $18-$20 millions a year. Sugar, butter, canned fruits and vegetables were also lifted from ceiling control as well as some imported fruits and vegetables.

The Government gave notice it intends to negotiate another trade treaty with United States once that country has passed the Reciprocal Trade Agreements Act now before Congress. That, of course, won't be until after the Canadian general election. There is no mention of what might be termed in "reciprocity" but a hope of opening wider possibilities for exports of manufactured goods.

Expects Sustained Employment

Capital spending, plus exports, are expected to "sustain incomes and employment at current levels."

Pressure of consumer spending on supplies available is slackening. Thus the "formulae" balance. Taxation goes back 11% from $3 billions to $2.5 billions; gives Canadian consumers an extra $322 millions of their own money to spend.

Added to earlier distributions, total new spending power by government direction, is thus boosted to the huge sum of $850 millions this year ($286 millions are income tax refunds; $235 are wheat participation certificates; $322 millions are tax cuts.)

Of the tax cuts 75% go directly to personal income taxpayers.

Some 750,000 wage earners are being cut off the rolls, leaving two millions to pay the new rates. Over-all reduction in personal income revenues is 32%. Out of $270 millions cut from present personal income levies for the fiscal year, $235 millions is traceable to higher exemptions. $35 millions to reduction in rate.

Other Taxes Stay Up

But Canadians are warned that along with lower income taxes they must be prepared to pay high indirect sales and corporation taxes for a long time to come.

Says Mr. Abbott: "We must recognize that most Canadians like other people in recent years have shown that they prefer to pay taxes in forms other than high income taxes. The public in peacetime will only tolerate a level of income tax that is far short of enough to yield the revenues that Canada now requires. Consequently we must plan on retaining as normal sources of revenue substantial taxes on goods and services, and taxes on corporate profits. In neither of these fields can we expect to get back to the prewar level of tax rates, at least until the threats to peace disappear and the people cease to demand that the government carry out many types of services and transfer payments now being provided."

In line with the principle of easing consumer rather than capital or corporate spending, the government has cleaned up the obnoxious retail "luxury" taxes. Removed entirely are the taxes on transportation, communications, soft drinks, candy and gum.

Other taxes ranging from 25% to 35% on jewelry, luggage, pens, tires, matches, cosmetics, toilet articles etc. are replaced by a straight 10% tax at the manufacturer's level.

Almost alone to plague Canadians for the future is the stamp tax on cheques, not disturbed.

Corporation Taxes

Corporation levies are streamlined by a new system of simplified depreciation allowances and a gesture to remove overlapping or duplicate taxation on corporation profits.

Small business gets a break by a big slash to 10% where profits are under $10,000. The rate on all profits above the first $10,000 is raised to 33%.

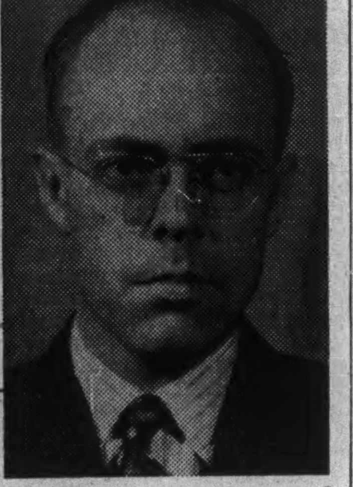
Looking ahead the government expects over-all budgetary spending to reach $2,390 millions. After allowing for tax cuts, this leaves a bare margin of only $87 millions on which to come and go in 1949-50.

Even allowing for special receipts and payments in the government's cash account, the maximum cash surplus after tax changes would be $202 millions. That's apart from amounts which may be required to finance our export surplus, accumulate exchange reserves or make a $120 millions credit to Britain.

Says Mr. Abbott:

LAMBTON TRUST CO., Sarnia, Ont. had $12,890 net profit, in 1948, compared with $15,770 in 1947. Estates account was $1,927,580 ($1,895,406); shareholders equity $405,037 ($407,184).

	1948	1947
Liabs. to public, etc.*	$1,598	$4,009
Shareholders' equity	405,037	407,184
*Secured by:		
Mtges. & sls. agree.	151,474	151,343
Liquid assets†	255,161	259,850
Total assets	406,635	411,193
†Includes bonds and stocks.		
Estates account	1,927,580	1,895,406
Earned per share	$2.04	$2.50
Paid	1.75	2.00



GEORGE E. BEATTY

has been named vice-president and general manager of Beatty Bros. Ltd., Fergus, Ont.

New Car Sales Off By 33⅓%

(Continued from page 1)

do anything about it. Ford was able to do this because loss of much of its export trade, made more cars available for domestic market, and dealers in other provinces went short.

Despite knowledege that lack of cars is the reason for current sales slump, the trade is now reconciled to the changing character of the automobile market. In U.S., for example, buyers are no longer clamoring for cars. Nearly all models are available across the line for immediate delivery or within a few days.

In Canada, only Ford products are immediately available. However, GM and Chrysler dealers frankly admit they aren't counting too much on their still substantial backlogs; a lot of it is water. They are even discounting a lot of late orders for 1948 models, knowing that some customers have orders with three and four dealers on the chance one will deliver before another.

Pricewise, they can see little or no change. Recent GM $40-$200 reductions applied only in the U. S. GM's 1949 line in Canada is about 7% higher than last year and no cut is anticipated. New Chrysler models show a slightly higher increase. But this still keeps them $100 below equivalent Ford models. (In U. S., Ford six cylinder model sells below Chevrolet.)

It's no secret in U. S. that competition is back and that this dictated GM's price cut. GM was under no immediate compulsion to reduce prices. The 2c an hour wage cut for GM's 300,000 workers under their cost-of-living wage arrangement wasn't the reason; it meant a saving of about $2 a car.

The answer being offered is that GM decided to put its competitors on the defensive. Announcement came a few hours after Chrysler released its annual statement declaring bluntly that "higher prices at this time are inevitable."

Move By Belgian Bank Is Example For Canada?

(Continued from page 1)

recent months. Belgium (like Canada) is a country whose currency is "medium hard." This hardness has been shutting out export sales in "soft currency" areas just as Canada is being shut out from sales in similar areas.

Like Canada, Belgium is a low cost producer but as the monies she made available to potential customers via the inter-European payments plan were used up, her trade fell off. Now she is gambling that the stimulus to her export trade by the new policy will more than offset the risk she is taking in accepting her own notes at par instead of receiving payment in gold or in "convertible" exchange.

There is a further parallel between Canada and Belgium.

The Belgians have been criticized for not extending more credit to their customers for purchase of Belgian textiles and other exportable merchandise. Belgium has hesitated to do this (just as Canada has) for fear such a policy would aggravate inflation.

Apparently the Belgian view as to what causes or constitutes inflation is different to that of Canada. They look on inflation as merely a question of the money market and not something affecting the whole purchasing power of the nation. Therefore while refraining from making additional loans they are willing to make their bank notes convertible for exports, on the theory that such a course doesn't actually increase the amount of domestic currency in circulation.

Inflationary Move

In Canada, the traditional approach of Bank of Canada or Finance Department experts is that any "repatriation" of balances or notes which are now virtually "frozen" would enlarge the flow of purchasing power as a whole and therefore have an inflationary effect.

One point of difference and perhaps the most critical argument in weighing the example of Belgium on Canada would be the relative orders of magnitude involved in similar action by Canada. Also important is the fact that to date Canada has not been seriously hampered in finding export markets, except for individual items of trade.

It's not known how important relatively is the "gamble" which Belgium has now taken. But in Canada, in 1948, we received close to $3¾ billions in gold or convertible exchange in return for goods and services rendered At the same time there were $170 million of trades action involving "blocked" or non-convertible exchange. The latter amount represents roughly the total amount of new Canadian dollars which were made available last year to U. S. residents in non-convertible forms. Presumably if Canada were to adopt the Belgian plan or a modification of it, we would have to be prepared to absorb most or all of these "dollars" in exchange for exports, plus possibly the proceeds of Canadian maturities held by U. S. residents, etc. This would not all be "loss" however, since there would be an important offset in the form of new inward "transactions."

It is not known here, but suspected, that many of the payments involved in Canada's $170 million of non-convertible transactions are still frozen so far as Belgium is concerned.

$11 Millions Of U. K. Loan For Plants

OTTAWA (Staff) — Great Britain has invested $11 millions in new branch plants in Canada since March, 1947, under special privileges granted by Canada through the $700 millions interest-free loan.

This information came out in answer to a question by Harry Jackman, M.P. in the Commons.

In addition, $5 millions of the proceeds of this loan have been used to finance the first installment on the Canadair contract for 22 North Star aircraft. Another $152 millions has been used by the British since Dec., 1946, to reduce the amount of the loan outstanding.

Net amount of loan outstanding at Dec. 31 was, and still is, $304 millions.

It will be remembered that in Dec., 1946, the Canadian Government made an important gesture to the U. K. to assist that country in getting dollars to stimulate branch plant development in Canada. Plan was that Britain would be free to use any proceeds of security transactions under the interest-free loan as the basis of plant expansion here.

Although this privilege was accorded the U. K. over two years ago, almost no use was made of it for more than a year. Last summer, 18 months after the plan had originally been worked out, Bank of Canada deputy governor Donald Gordon referred to this in evidence before a parliamentary committee.

As a result, there was a lot of publicity in the papers, a statement in the British House and assurance by Britain that they thought the gesture was of some use to them.

Even at that time it was made to appear as if Canada had only just made the gesture, whereas fact is it had been in force since Dec., 1946. Unfortunately, until the Gordon statement, most people didn't know the plan was available.

The Jackman return throws some light, though not complete disclosure, on use to which this arrangement has been put.

It discloses that in the first six months of 1946 only $563,000 of the loan proceeds were used for branch plant investment in Canada. In the next three months, ended Sept., 1947, $1.14 millions was used for new U. K. enterprises in Canada or expansion of existing ones.

From there on the return lumps 15 months of payments, so does not show to what extent the real use of the plan was speeded by the Gordon statement last summer. Anyway, in the 15-month period ended Nov. 30, $9.3 millions was used for expansion under the loan plan.

STORE HOURS: 9:15 A.M. TO 5:30 P.M. DAILY, INCLUDING WEDNESDAYS AND SATURDAYS.

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Now you may have suits Custom Tailored in two weeks.

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Paper Rolls Boost Pay Rolls and Retail Sales!

Zone 2 is dotted with pulp and paper mills. Of Quebec's 11 pulp mills, 9 are in Zone 2; and of the 31 pulp and paper mills, 23 are in Zone 2. Here, in the greatest concentration of Canada's greatest industry, the livelihood of more than 70,000 employees depends on pulp and paper directly. Thousands more are employed by the fact that pulp and paper is one of the chief buyers of transportation, power, fuel, supplies and equipment. No wonder Zone 2's retail sales are in excess of half a billion dollars.

Zone 2 is the French Zone

In this rich section of farming, lumbering, and mining communities and rapidly expanding industrial areas there are 1,372,125 French language customers for your goods and services. They total more than one half of Quebec's entire French language population. And over 90% of the population of Zone 2 is French. That's why Zone 2 *is* the French Zone.

To sell the people of this great French market place your message in their own language in their own newspapers. Sales and advertising managers who have realized this, know why their products are away out front in Zone 2.

You can boost *your* sales records, too, by using Le Soleil, l'Evènement-Journal in Quebec, Le Nouvelliste in Trois-Rivières, and La Tribune in Sherbrooke and the Eastern Townships. Individually, each gives the most complete coverage of its own territory; all three together provide an unbeatable coverage of the entire zone.

SOME FACTS WORTH KNOWING!

- Zone 2 contains 2/3 of Quebec's hydro-electric resources, the bulk of agriculture, mining and lumber operations, the pulp and paper industry and other expanding new industries.
- Zone 2 payrolls equal nearly 100% of the three Maritime provinces combined or 63% of the three Prairie province's total.
- The number of people gainfully employed in Zone 2 is higher than any comparable area in Canada.
- Overflow circulation from outside dailies is negligible. Even the largest of outside dailies has less than 15,000 in this market of 1,372,125 French-language people.

For brochure, containing all the facts about this important market, phone, write or wire:

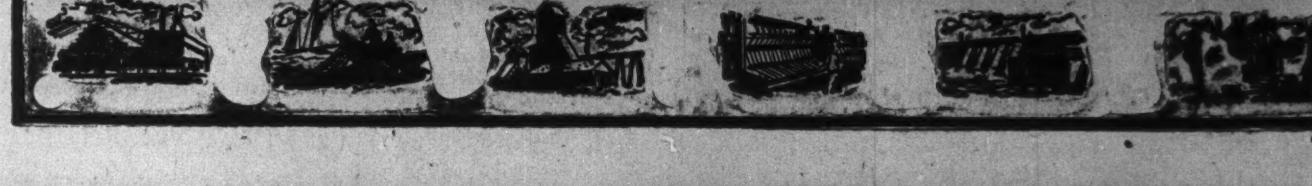
A. H. TOPPIN, Room 33, 9 Toronto St., Toronto 1, Ontario. (Telephone ELgin 6922)

ZONE 2

LE SOLEIL
L'Evènement-Journal

Le Nouvelliste

LA TRIBUNE



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IMMEDIATE DELIVERY

■ Wilson Package Bodies, now in full production, are designed to be mounted on any forward control or stripped chassis of 113 to 130-inch wheelbase. The loading space (approximately 360 cu. ft.) is 70" high x 70" wide x 120" long. The complete unit weighs 2000 lbs. The framework and front end are steel, the roof and body panels aluminum.

This body is designed to give easy access for door to door delivery and noted for its good visibility and manoeuvrability.

DISTRIBUTORS:
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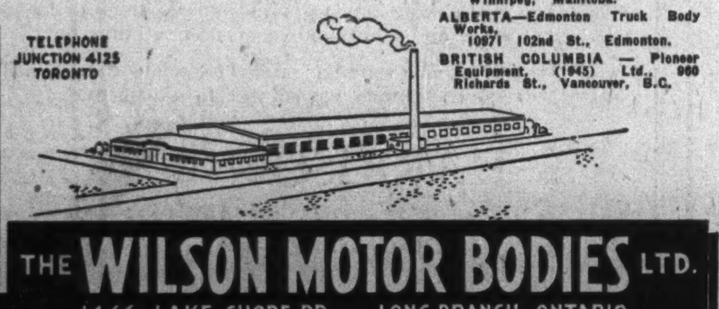
Canada Cement Bldg., Montreal.
MANITOBA & SASKATCHEWAN—Lawrie Wagon & Carriage Co. Ltd., Winnipeg, Manitoba.
ALBERTA—Edmonton Truck Body Works,
10971 102nd St., Edmonton.
BRITISH COLUMBIA — Pioneer Equipment, (1945) Ltd., 960 Richards St., Vancouver, B.C.

THE WILSON-LINDSAY PANEL DELIVERY BODY

TELEPHONE JUNCTION 4125 TORONTO



THE WILSON MOTOR BODIES LTD.
1466 LAKE SHORE RD · LONG BRANCH · ONTARIO

Look For It Here

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March 26, 1949

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University graduate with recognized degree in accounting and several years heavy industrial administrative accounting experience on top management level desires position offering greater scope. Presently employed and salary required is $5,000.

BOX 12,
THE FINANCIAL POST, TORONTO

MALE HELP WANTED

One senior accountant. Age 35 to 45 years. Must have at least ten years experience—capable of handling staff. Starting salary $350 per month. For paper mill situated on North shore of Lake Superior. Apply stating full particulars to:

Box 374
The Financial Post, Toronto.

New Terminal For Montreal

MONTREAL (Staff) — Canadian National Railways plans construction of a multi-million dollar freight terminal in Montreal to replace the old Bonaventure station, it is announced.

Plans for the new freight warehouses and for installation of freight handling facilities in the Bonaventure area west of the old station, have been placed before the city. If the city approves these plans, the project will take about three years to complete, and will cost several million dollars, it is stated.

Some of the freight sheds at Bonaventure station were destroyed by fire last year.

Buildings and freight houses are to be of concrete and steel construction, and fireproofed materials are to be used throughout.

EXPERIENCED SALES MANAGER

An old-established wholesale textile and novelty firm requires aggressive sales manager—complete knowledge of laces and linens—excellent opportunity—reply in writing giving full particulars—all replies strictly confidential.

BOX 14, THE FINANCIAL POST, TORONTO

SENIOR FINANCIAL EXECUTIVE

Presently employed by large manufacturing firm with national distribution desires to re-locate in Quebec Province or Ottawa District. Twelve years wide experience policy levels. Age early forties. Highest references.

BOX 11, THE FINANCIAL POST, TORONTO

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An experienced bond trader, with thorough knowledge of the investment business, may be a valuable addition to your executive.

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INVESTMENTS THIS WEEK

Preferred Shareholders Need Champion of Rights

Do you read the provisions attaching to any preferred shares you may purchase? Most investors would answer "no." The information usually appears in fine print on the share certificates and in the back pages of the prospectus.

The importance of doing so is again illustrated with the appearance of the Esmond Mills Ltd. 1948 annual report. It reveals that, following the acquisition of all the company's common stock by Textron Inc., a $400,000 4¼% bond issue was sold and later a common dividend of $400,000 was paid. Then following conversion of 16,000 no-par-value common shares into 1,600 2nd preferred shares, par $100, Textron sold its 2nd preferred and remaining common "to interests identified with Beacon Manufacturing Co."

But purchasers of the 15,000 preferred shares of Esmond Mills were not notified of the creation of $400,000 bonds senior to the preferred stock nor that the $400,000 was apparently raised to pay a common dividend, some holders state.

In this case, there was no provision requiring either the consent or notification of preferred shareholders before a prior obligation was set up, consequently reading the provisions would only have given a warning that such a provision was missing and then only to those investors who realized the need for it.

Another Case

Another case, currently in the limelight where preferred shareholders found that they were not fully protected by the preferred stock provisions is that of National Sewer Pipe Co. Here, no provision was made at the time of issuance for Class A shareholders to elect a majority of the directors if the stock went in arrears of dividends. Now they are having difficulty in getting a director agreeable to them on the board and having difficulty getting a reorganization plan to eliminate preferred dividend arrears.

Here would seem to be a field for the Investment Dealers Association of Canada. It might do a public service by setting up certain standard provisions for all new preferred stock issues with a view to protecting the just obligations and rights of the investors. These could serve as a minimum requirement before any IDA member offered a preferred stock issue. Other provisions could be added to suit the individual cases.

Canadian stock exchanges, also, might take a much more rigorous attitude and give leadership in protecting investors' rights in such matters.

• • •

Annual Reports

Consolidated Paper Corp. has included a table showing the "source and disposition of funds" in its 1948 annual report. Its 1948 income dollar went 38.3c to payrolls including employees benefits, 20.9c to materials, miscellaneous and inventory reserve, 10.6c taxes, 8.2c power and fuel, 5.5c depreciation, 1.4c bond interest, 5.8c dividends and 9.3c surplus remaining in business.

• • •

British Columbia Power Corp. 1948 annual report is interesting and comprehensive. Four new charts have been added to show electricity generating capacity and gas making capacity projected to end of 1949, original cost of plant in service and company's wage index as compared to the cost-of-living index. The 1948 revenue went 44% to employees, 22% to materials and services, 9% depreciation, 10% for taxes, 6% interest on bonds, 2% dividends on preferred stock, 4% dividends on common stock and 3% retained for expansion of services and improvements.

• • •

G. Tamblyn, Ltd. shows its 1948 income dollar went 65.98c for merchandise and supplies, 16.68c for employees, 7.31c for operating costs, 2.26c merchandising costs, 0.44c other costs, 2.75c taxes, 2.68c in dividends and 1.9c left in the business. A table accompanied by a map showing the location of stores is an interesting feature to shareholders.

• • •

Canadian Bronze Co. has brightened up and expanded its 1948 annual report. Pictures are shown of products and products are listed. An interesting comparison is shown of the disposition of the sales dollar in 1928 and in 1948. The 1948 sales dollar went 75.78% for materials, supplies and operating expenses, 13.45% to employees, 0.56% depreciation, 3.94% taxes, 2.78% dividends and 3.49% retained in the business.

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Minnesota & Ontario Paper Co. presents an extra balance sheet and income account showing the consolidation as well as individual accounts for the United States companies and for the Canadian companies. This is interesting and informative for shareholders.

• • •

Canada Wire & Cable Co. gives an approximate figure for inventory profit which is included in net profit in its 1948 annual report. This is a practice other companies might do well to adopt.

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J. S. Mitchell & Co. does not indicate the nature of its business anywhere in its 1948 annual report. This information would be helpful to shareholders and others picking up the report.

• • •

Cleveland Trust Sees Three Favorable Factors

"A series of small earthquakes is much less damaging than one big earthquake. The same logic might be applied to business readjustments; for if they have to be made, the effect on the economy as a whole is less severe when the adjustments take place gradually than when they come all at once."

This is pointed out by the Cleveland Trust Co. Business Bulletin for March 15 which points out that one favorable element in the current situation is the fact that readjustments as between different industries have been taking place gradually, rather than all at once. This helps to cushion the effects of reduced operations on the economy as a whole.

Two other favorable elements pointed out are: (1) the lack of severe credit strain which characterized the latter stages of many earlier business booms and (2) the absence of the feverish sort of speculation which occurred in commodities after World War I and in the stock market during 1928 and 1929.

Prominent among the factors which will determine the immediate future level of business are the future volume of capital expenditures and the effect on business of the Government's programs and policies, the Bulletin points out.

• • •

Price Bros. Reports Three Important Factors

In an annual report which in the opinion of most shareholders represents a vast improvement over those of previous years, Price Bros. reports three significant items covering its operations in 1948. This year's report is attractively bound and goes into some detail with respect to the company's operations.

Last spring the company's sawmill at Priceville was completely destroyed by fire but despite this 60% of the total logs cut were sawn. This was accomplished by using other facilities, temporary equipment, etc. Also important is the fact that the company adequately covered by both fire and use and occupancy insurance.

Also important is the statement that in spite of efforts to keep inventories at the lowest possible level they were higher at the end of 1948 than at the end of 1947. This increase is almost all in pulpwood but is expected to be reduced by the end of this year.

In the research field the company reports progress in paper manufacture and has developed a "curlator" machine to make curlated paper, which will help the company cut production costs.

• • •

Newsprint in Short Supply Still, Says Consol. Paper

Consolidated Paper Corp. states that the demand for newsprint continued to exceed supply throughout 1948, but there was some abatement of demand for pulps in December in its annual report. Tonnage of all pulp and paper products shipped was about 3.5% more than the previous year.

Looking ahead the company says that with the exception of newsprint increased production of pulp and paper products may bring supply more into balance with demand. Newsprint is still in short supply.

At Dec. 31, 1948, Consolidated had 17,052 shareholders, 49% of them owning no more than 25 shares, and 84% owned not more than 100 shares each. This wide distribution of the company's stock covers shareholders in Canada (83.8%); British Isles (10.7%); United States (4.4%) and other countries (1.1%).

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Ass'n of S. E. Firms Issues New Brochure

A new direct-mail brochure has been produced by the Association of Stock Exchange Firms in New York. It is to be available to member firms at cost to mail out to prospective clients.

The new pamphlet is designed (1) to acquaint the general public with the function of a stock exchange firm and (2) to show the public (a) the desirability of owning common stocks and (b) the ease and economy with which such ownership can be effected.

All discussion in the book is kept on an elementary plane. It is hoped that the easy-to-read book will induce potential stock buyers who have never been inside a broker's office to write or phone for additional information.

Further pamphlets are being readied by the Association it is reported. All are not so elementary. Some are directed to the member firms' personnel giving established information and best telephone techniques and customer relations it is reported.

HENRY D. McLAREN

has been appointed a vice-president and a director of Ferro Enamels (Canada) Ltd., Oakville, Ont.

Simpsons, Ltd. Bonds Offered, Adds Buildings

Additional issue of $3,750,000 Simpsons, Ltd. 4½% cumulative redeemable preferred shares, par $100, is being offered at $97.50 a share to yield about 4.61% by a large syndicate headed by Wood, Gundy & Co.

Proceeds will be for additional working capital required to handle substantially increased business volume and for other corporate purposes, prospectus states.

To keep pace with its growing volume, Simpsons Ltd. in recent years has been extending its facilities. Capital assets were over $37 millions at Jan. 5, 1949, increase of more than $12 millions in past 10 years.

At present, excavation for an 11 story $2.5 millions addition to Toronto Mutual St. mail order building has been started, while a two-story $100,000 delivery building adjacent to it is under way.

At Halifax a new $800,000 addition is under construction which will provide an additional 100,000 sq. ft. of floor space.

At Montreal a new $731,000 warehouse was completed last year on St. James St. W.

At London, Ont., company is completing a new $300,000 warehouse.

At Regina, a $500,000 three story and basement addition is being made to the R. H. Williams & Sons Ltd., department store, purchased in 1946.

At Vancouver, company purchased a $750,000 nine-story warehouse property from Kelly Douglas & Co. in 1948, on which is currently spending $300,000 for improvements.

Outstanding capitalization on completion of proposed financing will consist of $13,550,000 first mortgage 3½% bonds due Aug. 15, 1949 to 1959 ($650,000 a year) and Aug. 14, 1960 ($6,400,000); $9,000,000 2½%, 2¾% and 3% secured term notes due Dec. 15, 1950-55 ($1.5 million a year); $15,000,000 4½% preferred shares, par $100; 360,000 class A shares, no par value, and 360,000 class B shares, no par value.

Nfld. Lt. & Pr. Capital Change Pref. Offered

Public offering of $1,197,000 Newfoundland Light & Power Co. 5% preference shares, par $100, is being made by Royal Securities Corp. at $100 a share. These shares were purchased from Newfoundland Light Ltd. which then owned nearly all the shares of the company and is in turn controlled by International Power Co. Proceeds, as a result, do not go to the company.

Capitalization until recently consisted of 15,000 common shares, par $100. Under an agreement dated Dec. 28, 1948, the company issued 9,000 common shares as fully-paid up through capitalization of surplus. As a result surplus amounts to only $2,545 at Dec. 31, 1948.

By special resolution confirmed Feb. 26, 1949, the 24,000 common shares, par $100, were subdivided into 12,000 5% preference shares, par $100, and 120,000 ordinary shares, par $10.

Gross earnings from operations including miscellaneous income amounted to $1,160,074 in 1948 ($1,088,212 in 1947) the prospectus shows. Net profit available after all charges amounted to $267,467 ($156,689). Bond interest was covered after depreciation 4.40 times (3.12 times) and the net profit was equivalent to $22.29 a preferred share ($13.06). and to $1.73 an ordinary share ($0.81).

The balance sheet shows property, plant and equipment at cost of $7,166,819; current assets at $539,300; current liabilities at $284,272; reserves at $1,741,822 and funded debt at $3,318,000.

Empire Brass To Produce In England

Empire Brass Mfg. Co., London, Ont., under agreement with Wheaton Brass Works, Newark, N. J., has arranged to start manufacturing operations in England to supply both English and Western European market, the company announces.

Factory will be located at Croydon, London suburb. About 30 are expected to be employed by end of 1949.

Prior to World War II, Empire Brass exported to England a special line of oil valves and other equipment, for use with petroleum products, which they made in their Canadian plant for Canadian market and also for the British Empire, while the U. S. firm of Wheaton Brass made the same line for the United States, European and Asiatic countries.

With the postwar dollar shortage, England and other European countries found they were unable to import this type of equipment. Consequently, arrangements have been made to produce this type of equipment in Britain.

C. R. Ivey, sales engineer and P. J. M. Smith, plant engineer, of Empire Brass have gone over to England to open the plant and start operations. They are expected to be there for at least the next two years.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

GOODYEAR TIRE & RUBBER CO. OF CANADA net profit of $2,412,119 in 1948 was down 38.6% from $3,931,248 in 1947.

Heavy capital expenditures were made, principally in connection with new Airfoam and Pliofilm factories at New Toronto and the Quebec City factory, as well as for installation of more equipment to improve production capacity in New Toronto and Bowmanville plants, President A. G. Partridge states. These expenditures totaled $2,495,656.

In view of heavier than usual demands on cash resources for funds to finance plant additions and improvements and to carry adequate stocks of material at present high prices, directors considered it advisable to restrict declaration and payment of dividends on common stock to $3.50 a share for 1948, Mr. Partridge states.

Sales have continued at a substantially high level, he adds. Plant improvements and additional lines referred to above should place company in a position to maintain its earning capacity, enlarge its markets and obtain its full share of available business on a profitable basis, he states.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$5,300,304	$7,796,259
Add: Nonoper. inc.	33,895	309,896
Less: Deprec.	1,385,935	816,667
Income taxes	1,536,145	3,358,240
Net profit	2,412,119	3,931,248
Less: Pref. divd.	317,575	270,000
Com. divd.	900,410	2,572,600
Surplus for year	1,194,134	1,088,648
Earnings per Share‡ and Dividend Record:		
Preferred	$15.22	$24.57
Paid	2.00	2.00
Common	8.14	14.23
Paid	3.50	4.00+6.00

‡Incl. nonoper. income equal to $1.93 per pref. sh. and $1.40 per com. shs. in 1947; 21c and 13c, respectively, in 1948.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$289,122	$1,528,830
Accts. rec.	3,544,295	4,095,758
Inventories	10,619,131	9,902,185
Total curr. assets	14,452,548	15,526,773
Misc. assets▴	1,115,383	1,222,216
Fixed assets*	9,321,265	8,211,544
Total assets	24,889,196	24,960,533
Accts. & tax. pay.	3,762,711	3,921,574
Divds. pay.	79,232	1,109,040
Total curr. liab.	3,841,943	5,030,614
Contingent res.	1,000,000	1,000,000
Capital stock	8,051,830	8,128,630
Capital surplus	692,350	692,350
Surplus▴	11,303,073	10,108,939
▴Incl. ref. EPT	697,257	835,440
*After depr. of	14,322,471	13,193,702
Working capital	10,610,605	10,496,159

YOU'LL ENJOY SHOPPING AT Simpson's

Many people who have enjoyed shopping through Simpsons nation-wide organization also have had a satisfactory experience investing in bonds and shares of the Company.

We offer as principals:

Simpsons, Limited
4½% Cumulative Preferred Shares
(Par Value $100)
Price: $97.50 per Share

A Prospectus will be forwarded upon request.

You can invest as small an amount as $97.50 or a considerably larger amount in these Preferred Shares of Simpsons, Limited as easily as you can purchase goods from Simpsons. The dividend rate is $4.50 per share payable quarterly.

It is only necessary to telephone or write to our nearest office and we will look after all the details.

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of
Blair B. Deale
as
Manager of the company
and that
Frank G. Weller
has become associated with our company

Wisener and Company Limited
73 King Street West Toronto

5½% First Mortgage Bonds
With Bonus of Common Shares

Schell Industries Limited manufactures at Woodstock, concrete and wood building products, consisting of concrete building blocks, concrete bricks (plain and coloured) and Ready-Mix concrete, wood doors, trim and mouldings, hardwood flooring and dowels. Through its wholly-owned subsidiary, H. M. Clubine & Company Limited, the company manufactures a complete and diversified line of wooden and cardboard toys and games.

We offer the new issue of:

$500,000
Schell Industries Limited
5½% First (Closed) Mortgage Sinking Fund Bonds
Due: April 1st, 1968
Price: 100.00 plus accrued interest to yield 5½%
Carrying a bonus of Common shares at the rate of 20 shares per $1,000 bond

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▲ Sinking Fund—Requirements are sufficient to retire the entire amount of this issue prior to maturity.

▲ Legal for Insurance Companies—These bonds are investments which are legal for investment by Canadian insurance companies.

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An offering circular giving complete details will be mailed on request. Orders are subject to allotment.

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REQUIRES SERVICES of Accountant with administrative and executive ability. Age 28 to 30 preferred. When replying state education, experience, age, marital status and suggested salary, in confidence to Box 1, The Financial Post, Toronto.

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EXPERIENCED ACCOUNTANT for office and credit manager of progressive, well-rated manufacturer central Western Ontario. Must be good cost man, alert and resourceful. Successful applicant will later be appointed Secretary-Treasurer. Submit photograph, age, education, experience, salary desired and full details in absolute confidence. Box 399, THE FINANCIAL POST, TORONTO.

AGENCIES WANTED

AGENCY WANTED

MONTREAL SALES AGENTS, calling on industrial plants wishes one additional line on commission. Twenty-five years experience. Highest references. Please write Room 405 Canada Cement Building, Montreal.

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DISTRIBUTORS WANTED for Australian Diesel engines with world wide reputation. 4 to 40 BHP—exclusive franchise direct with factory. Reply Box No. 6, The Financial Post, Toronto.

REPRESENTATIVES WANTED

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HOTEL dining room or coffee shop management concession catering to excellent commercial trade desired by experienced competent chef and wife. Box 395, The Financial Post, Toronto.

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HAS ADEQUATE factory accommodation for contract work, manufacturing coats, capes, stoles, etc., and capable of handling up to 300 units per year. Factory supervised by highly skilled fur cutters. Box 5, The Financial Post, Toronto.

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MANAGED INVESTMENT

Strengthen Stock Quality MacNab's Manager Says

MacNab's manager has already started on a program to strengthen quality of stocks held in portfolio. This is expected to result in some loss of dividend income. Dividends are expected to hold up well for 1949.

MacNab's Manager Says:

Valuation of your account as of March 15 shows a total securities value of $16,275.66, compared with $16,112.56 on Feb. 15. During this period the Toronto Stock Exchange industrial averages declined from 171.45 to 171.30.

During the month under review changes in your account were made involving the sale of 30 B. A. Oil common and 50 McColl-Frontenac common, the purchase of 50 Imperial Oil and 25 Shawinigan common.

This resulted in a credit to capital account of $104.10; there was no change in your anticipated annual income, now $806.15 or 8.06% on your original investment of $10,000 on Dec. 15, 1944.

Capital gain now stands at $6,275.66 or 62.8% on your original investment of $10,000. Uninvested cash balance now is $143.16.

Your investments are divided between fixed income securities and equities in the following proportions:

(As at March 15)		
Common Stocks	$9,685.00	59.5%
Preferred Stocks	1,427.50	8.7%
Bonds & cash	5,153.16	31.8%
	16,275.66	100.0%

Under the control plan adopted by many investment institutions, percentage in bonds and other fixed income securities will vary from time to time depending on Dow-Jones averages for industrial stocks, which is now 176.02 (Mar. 15).

The plan I have been following (although not rigidly) in the past is to sell stocks on a rise in averages and re-invest in bonds, and vice versa on a decline. At present 59.5% of your capital is invested in common stocks, 40.5% in bonds, preferred stocks and cash.

As your account is invested only in Canadian securities, this plan is not adapted as well as might be to your case, but will serve in the meantime, as the Canadian market trend generally follows New York, with somewhat of a time lag (up to 6 months, usually) so far as general business conditions in Canada are concerned.

It will be my aim gradually to strengthen the quality of stocks held in your account, which I have already begun doing. This may, probably will, result in a decline in income, as a safety factor only.

Dividends are expected to hold up well for 1949 but there have been some recent dividend cuts in the U. S. and the stock market in many cases is trying to discount lower earnings for this year when compared with 1948.

Present phenomenal high yields on common stocks are calculated on 1948 dividend payments. This is 1949 and we must remember that when looking at stock yields.

From Feb. 16 to Mar. 15 you received $50.25 in dividend and a monthly withdrawal of $40 was made for living expenses. The other $10.25 was added to cash position which stood at $143.16 on Mar. 15.

L. F. LONG

has been elected a director and appointed executive vice-president of Building Products, Ltd.

The MacNab Account Now Stands

No. of Shares	Security	Cost per sh. $	*Market per sh. $
	Common Stocks		
10	Aluminium Ltd.	60½	55⅛
25	Bell Telephone	41⅝	40⅛
10	Can. Westinghouse	55	51½
25	Candn. Canners	21½	15¾
50	CPR	16⅞	14⅛
50	Famous Players	14½	14¾
50	Hollinger	11	10⅜
50	Imperial Oil	17¼	18¼
15	Inter. Paper	49⅜	52½
25	Inter. Nickel	34¾	32
10	McIntyre	55	55½
20	Noranda	49	54
25	Shawinigan	23½	24¼
30	Sick's Breweries	15¾	16
	Preferred Stocks		
30	Abitibi $1.50 pfd.	21⅜	19¾
10	Steel of Canada	86	83½
	Bonds		
1,000	B. C. Tele. 4%/62	100.00	102
$1,000	Can. Sav. 2¾/56	100.00	100.00
$2,000	Can. Sav. 2¾/57	100.00	100.00
$1,000	Can. Sav. 2¾/58	100.00	100.00
Cash			$143.16
Current market value of fund			$16,275.66
Average yield on original $10,000			8.06%

*As at Mar. 15.

Twin City Transit Proxy Battle Ends With Compromise

The three directors proposed by present directors of Twin City Rapid Transit Co. were elected, The Financial Post is informed.

This followed a compromise arrangement between present directors and Charles Green who was seeking to replace retiring directors with his own nominees (see The Financial Post, March 5) which requires retirement of two present directors at next directors meeting and appointment of two mutually agreeable Green nominees neither of whom were on Green's slate.

They were Brigham D. Eblen, prominent Detroit lawyer, who owns about 8,000 shares of Twin City, and James A Gibb, president of Intercity Coach Lines, Lansing, Mich., and owns about Twin City 1,000 shares.

The two-day counting of proxies had reached the letter "S" when the compromise was agreed on. At that stage it showed 120,815 shares for the management, 111,812 for Mr. Green.

EDGEWATER PORCUPINE GOLD MINES has completed arrangements to participate in a drilling program for oil and gas near Ailsa Craig, Western Ontario. Edgewater has acquired the option to finance drilling of all wells on leases held by Interlocking Oils, comprising over 3,000 acres in McGillivray twp. First drilling will consist of deepening of a well drilled by Interlocking Oils which was suspended owing to lack of finances. This well is stated to be about 1,000 ft. away from a well drilled at an earlier date which produced some oil. Edgewater is entitled to a third net production of the first well and half net production from subsequent wells.

NOTICE

Tenders for Purchase of Debentures

The Edmonton Public School Board invites tenders for the purchase of $2,520,000.00 of serial debentures. Details of these debentures will be furnished upon application to H. G. Turner, Secretary-Treasurer, Edmonton Public School Board, Edmonton, Alberta.

GOVERNMENT
AND
MUNICIPAL BONDS

BELL, GOUINLOCK & CO.
LIMITED
ESTABLISHED 1920
MONTREAL TORONTO WINNIPEG

GENERAL MANAGER REQUIRED

Canadian Subsidiary of English manufacturing company has vacancy for general manager. Excellent prospects for the right man with sound experience of commerce, knowledge of Canadian marketing and sources of supply of materials as used in light engineering. Technical knowledge which covers press work, metal finishing and assembly would be of advantage. Only man with wide experience need apply. Write in first instance giving details of previous positions held and salaries earned.

BOX 13, THE FINANCIAL POST, TORONTO

ACCOUNTANT

Large manufacturing and sales organization requires services of chartered accountant. Experience in tax field desirable. Age 30 to 35 preferred. Please give details of experience and indicate salary requirements.

Box 10, THE FINANCIAL POST, TORONTO

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

DONNELL & MUDGE, LTD. net profit for the year ended Nov. 30, 1948, was off sharply at $25,814 ($110,175). During the past year the leather business in Canada experienced serious difficulties as a result of adverse conditions both in world markets and in the domestic market. In addition to higher labor costs, cost of raw materials, particularly those imported in the face of increasing demands from other countries, substantially increased. At the same time the demand declined.

These factors had a pronounced effect upon company earnings during last half of the year. Total sales were somewhat in excess of previous year, the annual report states. To a considerable extent this is accounted for by the continued brisk demand for shearlings. However, in the company's shearling business, as well as in other lines, rising costs of raw materials and labor resulted in a substantial reduction of profit margins.

Company products remain in good demand, with a substantial volume of orders already received or in sight, and it is hoped that through curtailment of manufacturing costs and adjustment of selling prices the company's operations for the current year will show an improvement over those of last year, President P. J. Duggan states.

INCOME ACCOUNT

Years Ended Nov. 30:	1948	1947
Net earnings	$57,067	$196,725
Less: Depr.	23,667	22,980
Int. & disc.	•2,714	990
Income tax‡	10,300	54,500
Invent. res.	.....	8,080
Net profit	25,814	110,175
Less: Cl. A divd.	19,013	12,675
Com. (new) divd.	24,180	.....
Com. (old) divd.	.....	800
Surplus for year	▪17,379	96,700

•Credit. ▪Deficit.

Earnings per Share and Dividend Record:		
Class A	$1.02	$4.35
Paid	0.75	0.50
Common	0.12	2.10
Paid	0.60	.....
Old com.: Paid	.....	5.00

CONDENSED BALANCE SHEET

As at Nov. 30:	1948	1947
Cash	$135,278	$191,085
Investments•	134,988	
Accts. rec.	70,767	75,044
Tax recov.	.....	174,989
Inventories†	302,074	194,639
Total curr. assets	643,107	635,757
Prepaid exp.‡	11,772	12,887
Ref. EPT	42,088	42,089
Fixed assets*	156,004	169,214
Total assets	852,971	859,947
Bank loan	20,006	15,098
Accts., tax, etc., pay.	61,879	62,229
Total curr. liabs.	81,885	77,327
Capital stock	65,000	65,000
Earned surplus▴	706,086	717,620
†Less reserve	65,000	83,045
*After depr. of	313,261	290,793
▴Incl. ref. EPT	42,088	42,089
•Mkt. value	133,737	.....
Working capital	561,212	558,430

CANADIAN NATIONAL (WEST INDIES) STEAMSHIP LTD. operating profit was $644,105 in 1948, down $185,172. After payment of interest on bonds and government advances, there was a surplus of $166,044 ($522,677 in 1947).

Operating revenues amounted to $7,964,719, an increase of $107,249 or 1.36% over 1947. Operating expenses were $7,320,614 an increase of $292,421 or 4.16%.

Volume of freight carried during the year, 407,979 tons, compared favourably with prewar tonnage and was exceeded only by 1947 (6% higher), President R. C. Vaughan points out. While export tonnage decreased 52,533 tons or 26%, reflecting the import restrictions imposed by the Islands, consequent upon the dollar shortage import tonnage increased 26,726 tons or 11.5%, principally due to increased sugar tonnage. Freight revenue amounted to $6,546,770, a decrease of $818,361 or 11.1%

Largely because of a full year's operations of the "Lady Nelson" and "Lady Rodney" which resumed service in the summer of 1947, passenger revenue increased by $523,088 to $962,887.

In 1947 operating expenses included $700,000 representing the balance of the reconversion and over-all cost of the two "Lady" vessels. Omitting this item, the increase in expenses amounted to $992,421 or 15.7% and was due to higher cost for labor and materials, stevedoring and other port services and of the full year's operation of the two ships.

A table is included showing the extent to which operating expenses have increased in 1948 as compared with 1947 and 1939.

The fleet consists of 10 vessels, with total gross tonnage of 51,155 and a total dead weight tonnage of 56,075.

Pointing out the company was incorporated in 1927 to implement the trade agreement of July 6, 1925, Mr. Vaughan states "The extensive endeavour put forth by the company to further and develop trade between Canada and the West Indies has been of inestimable value to Canada and the Islands. It is hoped that in any new agreement which may be negotiated cognizance will be taken of the greatly increased cost of operation by the inclusion of enhanced subsidy provisions and that it will contain some measure of assurance that the company will continue to obtain a fair share of the available tonnage movement commensurate with the services operated.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Oper. revenue	$7,964,720	$7,857,471
Less: Oper. exp.	7,320,614	7,028,193
Oper. profit	644,106	829,278
Add: Replace. fund earn.	85,733	266,697
Net earnings	729,839	1,095,975
Less: Bond int.	470,000	470,000
Gov't. adv. int.	93,794	103,298
Surplus	166,045	522,677
Times Bond Int. Earn.	1.55	2.33

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & spec. dep.	$1,247,661	$1,948,569
Accts., etc., rec.	274,597	365,278
Inventories	25,407	25,382
Total curr. assets	1,547,665	2,339,229
Cap. stk. disc.	40,000	40,000
Insur. fund.	1,764,720	1,560,108
Replace. fund	3,449,717	2,871,762
Vessels*	6,238,464	6,730,686
Total assets	13,040,566	13,541,785
Accts., etc., pay.	791,730	731,595
Interest accr.	160,016	162,417
Overhaul exp.	.....	588,596
Total curr. liabs.	951,747	1,482,608
Unadj. credits	65,607	150,641
Gov't. advances	3,698,817	3,954,797
Insur. res.	1,764,720	1,560,108
Funded debt	9,400,000	9,400,000
Capital stock	40,000	40,000
Less: Deficit	2,880,325	3,046,369
*After depr. of	3,605,982	3,113,760
Working capital	595,918	856,621

CORPORATION OF THE DISTRICT OF BURNABY

Tenders For Debentures

FIRM OFFERS (Vancouver, B.C., Delivery and Payment) will be received by the undersigned up to 9 o'clock in the forenoon on Monday, the 4th of April, 1949, for:

$272,000.00 4% 20 year Serial Debentures

BIDS must be sealed and endorsed "Tenders for Debentures" and must be accompanied by a marked cheque for a sum equal to 5% of the amount of the bid.

Arrangement for delivery other than Vancouver can be made at the expense of purchaser.

The Council reserves the right to reject any or all tenders.

CHARLES B. BROWN,
C.M.C.

Municipal Hall,
Edmonds, B. C.
March 9th, 1949.

$35,000.00 TOWN OF COCHRANE 3½% Bonds for Sale

Principal and Interest (annual) payable at the Bank of Nova Scotia, Cochrane, Ontario.

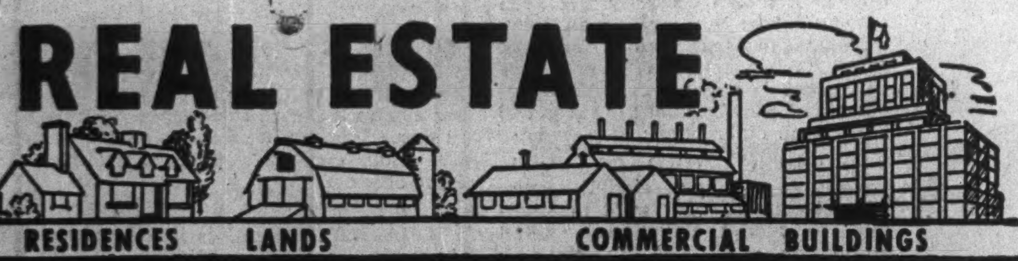
Purpose

Additional expenditure Waterworks and Water Softening Plant.

Tenders for the purchase of the above bonds should be mailed to E. J. MacVittie, Clerk-Treasurer, Town of Cochrane, in sealed envelope marked "Tender for Bonds" and must be received at the Town Office not later than noon April 26th, 1949. Highest or any tender not necessarily accepted.

Young Scotsman with extensive experience in shipping, forwarding and transportation, presently holding executive position with steamship company, desires progressive appointment where initiative and experience count. Excellent references available.

Box No. 15,
The Financial Post, Toronto



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BOX 383,
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PICTURESQUE ISLAND OF TALL PINES
Covering Four Acres
In Heart of Famous Vacation Centre
ADJACENT TO OJIBWAY ISLAND
AND HOTEL
Yet
WITHIN SIGHT OF OPEN BAY
Ready for Immediate Occupancy
LARGE MAIN COTTAGE AND TWO CABINS
Completely Furnished and Fully Equipped
Two Tent Floors, Dock, Rowboat and Canoe
All in Excellent Condition
Apply to Owner
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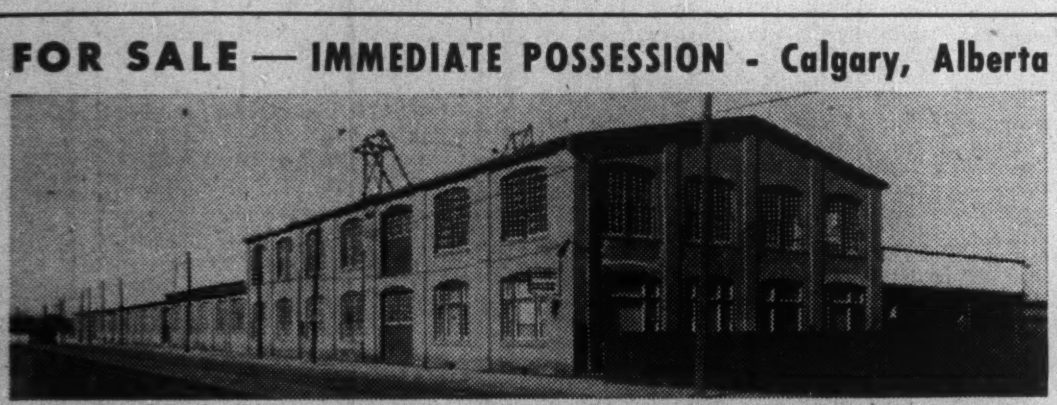


6.3 acres of land—126,770 sq. ft. of floor space. On C.P.R. trackage with spur to property. Suitable for any manufacturing project.

BUILDINGS:—

Main Plant—brick construction, 150 ft. by 320 ft. Gas heated and wired ready to be operated. Installed capacity 150 k.w. Full cemented floor 150' x 160' suitable for installation of heavy machinery.

Shipping Shed — brick construction two storey and full cement basement, 60' x 150' with elevator and loading platform on trackage. Two connecting frame storage sheds 1½ storeys 50' x 120' and 1 storey 40' x 120' respectively.

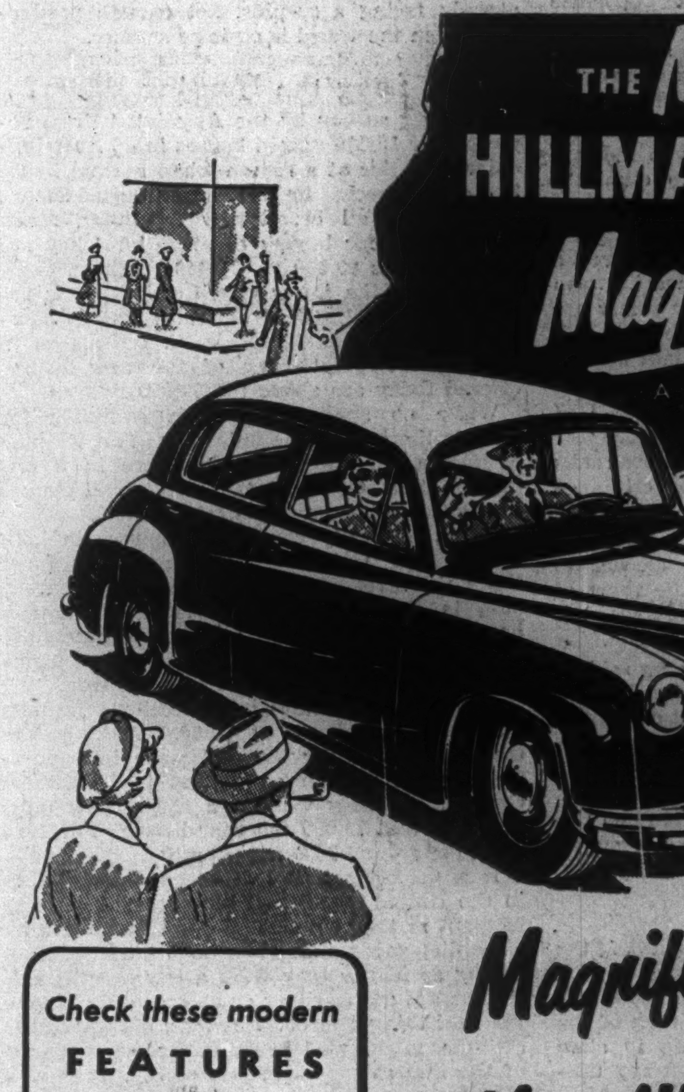
Two additional frame buildings suitable for storage 72' x 160' and 56' x 108' both on trackage, detached from main plant.

General Offices and storage room, two storey building of brick construction 60' x 120', part of and connected to main shop and warehouse.

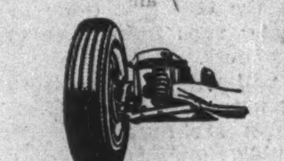
Additional buildings suitable for staff rooms or storage purposes. Plans and specifications will be supplied on request. This plant is fully modern being equipped to use water, natural gas and electricity. Favorable industrial power rates for natural gas and electricity are available.

Tenders for purchase or enquiries are invited by:—

GEORGE F. HINDS, Liquidator
Robinson Equipment Company Limited (in Liquidation)
1820-Ninth Ave. East, Calgary, Alta.



Check these modern
FEATURES



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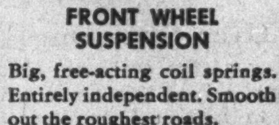

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Magnificent ECONOMY!

Relax in the roomy, full-width front seat of the new, streamlined HILLMAN MINX and experience a new concept of interior luxury and convenience.

Shift gears with the flick of a finger. Glide away with a touch on the accelerator. You'll delight in its silk-smooth riding qualities . . . featherlight steering . . . swift, safe, effortless performance on highway and byway.

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PARTS AND SERVICE FROM COAST TO COAST IN CANADA AND THE UNITED STATES

The Editorial Page

Watch Out for the Loopholes

In its promise, the North Atlantic Pact is perhaps our greatest achievement yet in mobilizing for peace. But how much actual good the pact is going to be depends fundamentally, on the American people and on how much or how little they want the pact to be effective.

It is perhaps true that the loopholes in the pact could not have been fewer and smaller without condemning the deal to defeat by Congress.

To protect American sensibilities and to protect the constitutional right of Congress to declare war, the loopholes are great.

So, if and when one member of the pact is attacked by invasion from without or by infiltration from within, the United States is not committed to do anything about it; not legally committed, morally committed we would think, but that will depend on the temper of the American people at the time of the event.

While the pact obligates the U. S. to regard an attack on any of the member nations as an attack upon itself, the United States can do a lot of its own "interpreting."

As put by James Reston of the New York Times:

> "Each nation (is) free to decide for itself
> (a) Whether an 'armed attack' has taken place — Is the Communist rebellion in Greece an armed attack?
> (b) What action it chooses to take against the armed attack—A diplomatic protest is 'action.'
> (c) Whether the armed attack really does threaten the 'security' of the North Atlantic area."

If, as Reston warns, the American people concentrate on the loopholes rather than on the principle that an armed attack on any one member nation is an attack upon themselves, then we haven't achieved very much.

But one thing the pact certainly does achieve. It does increase America's moral obligation to contribute to the peace of the world in proportion to her size and importance.

Had America's position been clear before 1914 and before 1939, how different the record of our times would have been; how much tragedy and suffering would have been avoided!

The full implications of the pact for Canada are more than a little breathtaking and "incidents" would require a high degree of public enlightenment and of statesmanship to prevent isolationist attempts at blockade here.

What, for instance, happens if Communists win in the French elections? Dean Acheson, U. S. Undersecretary, points out that the pact is not designed for purely internal revolutions, but that a revolution aided and abetted by a foreign country might be a situation with which members might be called upon to deal.

What happens, as Reston asks, about the present situation in Greece? There is no word on that yet.

What happens if the Russians attack the Berlin airlift? Would that be an attack on occupying forces? Dean Acheson has said he thinks it would be so interpreted.

So the obligations of the pact may seem to bring war closer to Canada. But they don't, in fact, because Canada cannot stand aloof from any trouble in our little world. And so long as the pact members live up to the letter and spirit of the agreement, it will be the most powerful deterrent to further Russian aggression yet evolved.

In their present mood, we think there is no doubt that America, key to the success of the pact, will enter it with enormous zest, more than anxious to live up to its highest legal and moral requirements.

In fact, restraining American exuberance may sometimes be a problem. Some of the other members of the pact have had a much longer experience in diplomacy, and a less confused system of government. Settling disputes with bombers may for some have dramatic and sanguinary satisfactions. But by all means let us use diplomacy where diplomacy will achieve the desired end results.

But, if pact members—any of them—start squirming out of their clear obligations as some League of Nations members did over sanctions in Manchuria and Ethiopia, then we have merely erected another monument to good intentions, and to man's incapacity to manage his affairs.

In the final analysis, the usefulness of the pact will be in public understanding of the peril in which our very lives now stand.

How Many Cars Are Stolen?

About two years ago, a former car thief, writing in The Financial Post on how simple the mechanics and paper-work of his racket were, said: "There's no central clearing house in Canada for car registrations; there's practically no interprovincial checking and hardly any between municipalities in a given province. Surely that's one thing that can be fixed."

That's what you would think. But it hasn't been, and there's little if anything to indicate that any steps are being taken to eliminate this simple obstruction in the major problem of car thievery.

A few days ago Toronto police uncovered a new car-selling racket being operated between Ontario and the Prairies, where car prices are quite a bit higher. The wrinkle is that racketeers buy on the installment plan or take out car loans in Ontario, sell the cars out West as lien-free, leave the finance companies and the new "owners" holding the bag.

In the United States, car stealing now ranks as the third most prevalent major crime — 184,000 thefts in 1947.

How many cars are stolen (and recovered) in Canada each year? There's no answer to that question; no way of getting one short of collecting figures not from each province, but from every police chief in the Dominion.

A car stolen in one province can be sold in the next province—illegally, of course—with comparative ease by even a novice at car thieving, without having to go through the rudiments of filing down the engine numbers or doing a repaint job.

Surely, authorities don't need to go on fumbling this important matter any longer. Car stealing now is too easy—scandalously easy.

Lucky 711

Philip Pugsley, national president of the Junior Chamber of Commerce of Canada, took a deep breath a few weeks ago, climbed well out on a limb. He asked mayors of each of the 150 places where "Jaycees" operate to state frankly whether the clubs performed any useful function in the community.

Without exception, from Prince Rupert to Saint John, the mayors said they were glad to have a chance to testify to the valuable leadership JC of C groups gave in every project of service they undertook.

This was more than encouraging, since the two prime objectives of the organization, made up of young men between 18 and 35, is to encourage members to serve their community,

The success of their efforts should help them fulfill their objective of better than 200 clubs by the end of the current season and their new "five-year plan" of 711 bodies across 10 provinces.

Bad News For Farm Planners

To the "fixed price" school of farm planners some pretty disturbing news came out of Ottawa last week. The Government announced that there would be no price support for the flaxseed crop this year, and it cited the strongest sort of reasons why there shouldn't be.

Flaxseed markets in Canada and the U. S. are glutted. The tremendous increase in demand created by war and postwar conditions has disappeared, but there has been no corresponding decline in supply. Canadian production of flaxseed last year was 11 times greater than the pre-war average and the U. S. production was up almost five times. If the government guaranteed prices under such circumstances, it would find itself holding all the flaxseed this country could possibly grow. If the same policy was adopted for all farm crops—a step that the farm planners have been advocating for years—the country would go bankrupt.

If we are producing more flax or more of any other commodity than the world wants, then the sooner we cut down and turn to something more urgently needed, the better for us and the better for our customers. To subsidize prices under such circumstances only encourages greater gluts and still lower prices.

Uniform fixed prices, say the dreamers, will bring us farm stabilization. As usual the dreamers are about as far wrong as it is possible to be. Instead of stablization, uniform prices are much more likely to bring chaos, bigger and bigger production when we are already facing a surplus, not enough production when the world is crying for more.

How Long the Housing Boom?

A spring survey by the Associated Press reports over 15,000 unsold houses in 46 American cities, and this at a season when normal house buying approaches its peak in the United States.

These are all brand new dwellings, ready and waiting for buyers to move in. They are largely in the $9,000 to $15,000 brackets.

Homes in the lower classifications, it is reported, are still selling about as fast as completed but in the larger U. S. centres as in Canada, the great bulk of the new houses offered today are above the $9,000 figure.

While no similar survey is available for Canada there are some indications that we may be facing the same situation here in a few months time. Certainly the background picture in the two countries is almost identical.

Prices of newly constructed houses in both Canada and United States are two to three times the level of prewar, have jumped about 50% in the last three years. Both countries have been building at a tremendous rate since the end of the war, though on a basis of population the pace has been faster in Canada.

In the United States last year housing units completed numbered 926,000. Making the usual allowance for the difference in population this would be equivalent to 78,000 for Canada. Actually we added 82,000 new units last year and 79,000 the year before. For 1949 a total of around 90,000 is expected.

It is perfectly true that economic conditions in the United States just now are not quite as buoyant as they are in Canada. There are a lot of capital goods, including, houses that are not selling as fast as they were a few months ago. Buyers are not as eager or as desperate to take the first thing offered. But that, not unhealthy attitude, might well be duplicated on this side of the line as we move into spring. It is well to remember that the economic cycle in the United States usually runs from three to six months in advance of ours.

For those who will note it there is surely abundant warning here that the days of our house building boom are numbered. Sooner perhaps than we think supply is going to catch up with a frantic demand.

B. C. is Over the Hump

In another survey of the economic areas of Canada, The Financial Post this week devotes a special section to British Columbia. Staff writers and correspondents focus their typewriters on British Columbia's extraordinary growth and the results likely to come from the vigor of its planned attack on the future.

Says The Post's Wallace Gillespie, just back from an intensive reporting trip through to the West Coast "B. C. is fattening out," akin to a youngster who shoots up tall and skinny, then slows down to fill in the lanky frame with sinew and heft.

This filling in isn't taking place haphazardly or accidentally. British Columbians, perhaps more than people of any other province, are examining and planning their future with broad vision and careful attention to detail. They regard application of industrial development techniques as a profitable, productive piece of machinery, not a lah-de-dah fifth wheel. They know they have serious problems to solve in regard to their world and domestic markets, their primary and secondary industries, and products, their spotty distribution of population.

They also show every sign of having the determination, ability and resources to overcome their problems, to push back frontiers still further up the Coast, north into the Interior, east through the Kootenays.

There's no doubt that British Columbia has steadily and successfully climbed the ragged heights of its primary, pioneer stage of industrialization; is within range of the second stage—the broad plateau where primary and secondary industries are integrated.

Napier Moore's

Scratch Pad

ASKED ABOUT Communist Tim Buck being permitted to speak before Canadian college students, Premier Kennedy of Ontario is quoted as saying, "We don't like it—we don't like it at all."

Had Premier Kennedy walked into the Economics Building of the University of Toronto the other night we doubt that he would have been overjoyed. Displayed in the lobby were free samples of Labor Challenge—Official Organ, Revolutionary Workers Party—Canadian Section, Fourth International.

• • •

WE HAD DIFFICULTY reading a new book, "Cheaper by the Dozen," by Frank B. and Ernestine Gilbreth. The difficulty was that it kept us laughing so heartily that we had to keep wiping the tears from our glasses. The authors are two of the 12 children raised by remarkable parents, Frank Bunker and Lillian Moller Gilbreth, both industrial engineers. Among the first in the scientific management field, they were first in motion study. Frank Senior died in 1924. Dr. Lillian, left with the dozen children, carried on the business; is still active today.

"Cheaper by the Dozen" and Resources Minister MacKinnon's statement that 48,000 citizens left Canada in 1947 and 1948 to live in the United States focus our attention on the Engineering Institute of Canada.

In the latter connection, the Institute makes a practical endeavor to keep Canadian brains at home. Each year it invites the engineering schools of all Canadian universities to send undergraduate representatives to its annual meeting. The Institute pays all expenses. The students meet and discuss opportunities with the leading men in the profession. They hear papers by experts. They hold a conference of their own; their problems and suggested solutions are seriously discussed by the country's top engineers. And when the young delegates return to universities from Halifax to Vancouver they are a liaison between engineering student bodies and the jobs of the future.

Next month the Institute will hold its 63rd annual meeting in Quebec City. A highlight will be the Canadian Management Council's discussion of methods whereby industry adjusts itself to meet changing economic conditions. And here's where "Cheaper by the Dozen" comes in. One of the principal speakers will be the famous Dr. Lillian Gilbreth.

• • •

HUGH MACLENNAN, distinquished Canadian author of "Two Solitudes" and, lately, "The Precipice," recently got into a discussion in Montreal. The subject was Canada's vastness; the problem of local viewpoints overshadowing the national concept, the need of mutual understanding, and so on. MacLennan, born in Cape Breton, threw in his chip with a story. He said that during the war there were some Jewish members of the RCAF stationed in Cape Breton. At the end of six months one of them ventured to suggest to a native that while they had enjoyed being down there, they, quite frankly, found the people somewhat reserved. Was it perhaps due to a slight anti-Semitic feeling? To which the native replied, "Anti-Jewish, no. But you must remember that you come from Ontario."

• • •

TWO HUNDRED WIGS a week are being issued to Britishers under their National Health Service, keeping 23 wig makers working at frantic pace. Georgie Henschel, BBC commentator, explains the difference between "utility wigs," the rush for which has shocked the government, and "wigs." It is one of £2.10.0 in price, the utilities being strictly non-fancy. If you're a woman, though, you can have a choice of five—bobbed, full transformation, semi, fringes, or toupee. Men have but two choices; an over-all wig or a "sculpette," a charming technical term denoting a bit to cover a bald patch on top.

• • •

BEFORE SMALL ENGLISH CARS were as common on Canadian streets as they are now, Torontonians used to see an Austin scooting around bearing a license plate appropriately numbered 2 x 4. Today, an even smaller car, an Italian Fiat belonging to James W. Ferguson, bears license 2 x 2.

• • •

AS A STAUNCH ADVOCATE of simple language we tip our hat to an English lawyer, Maxwell Lewis. In the Southend court a Dr. John Marney testified that somebody had "bilateral perorbital hematoma and left subjunctival hemorrhage." Lawyer Lewis said "Translate that for us ordinary mortals."

Dr. Marney obliged. He said, "Two lovely black eyes."

Stop Me If—

Judge: "What proof have you that your client is insane?"

Attorney: "Your honor, he thinks he knows just what his insurance policy covers."

• • •

Mrs. Brown was complaining to her doctor that his bill was unreasonably high. "Don't forget," he reminded her, "that I made 11 visits to your home while your son had the measles."

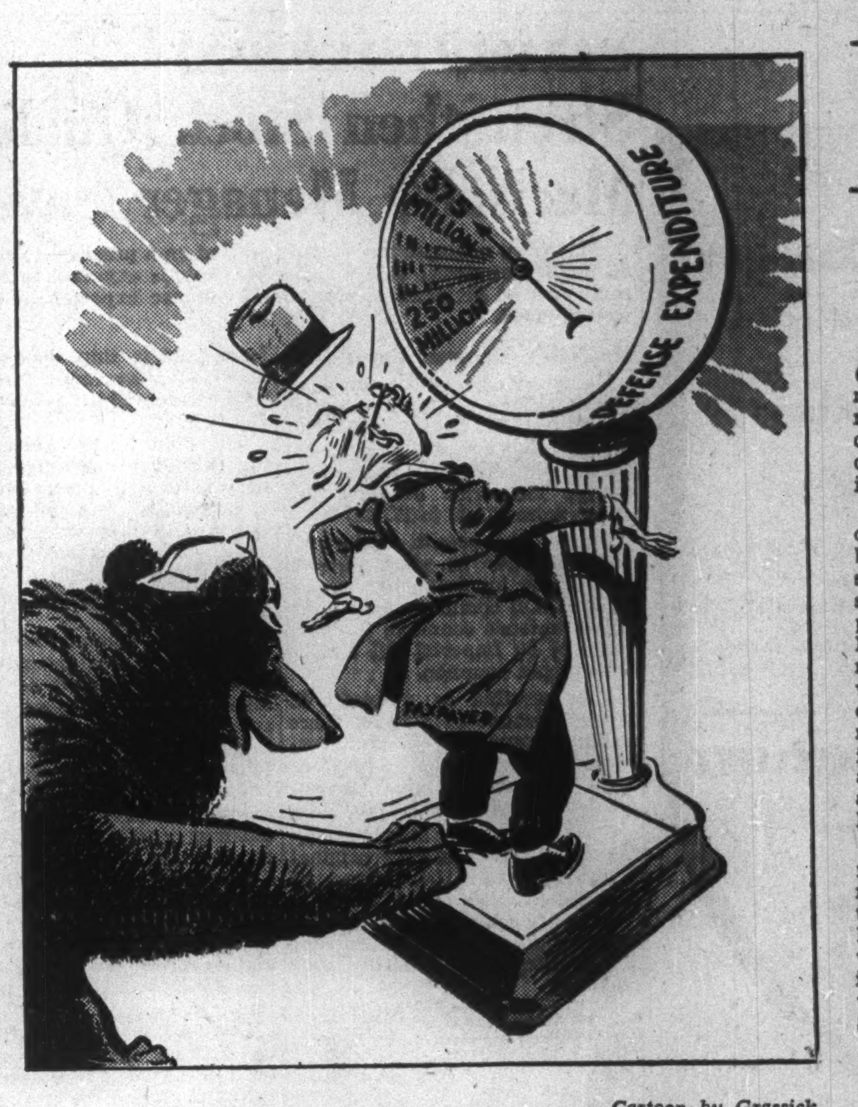
"And don't you forget," she countered, "that he infected the whole school."

• • •

Willie Johnson, a sawed-off, beatendown little fellow, was arraigned in a Texas district court on a felony charge.

The clerk intoned: "The State of Texas versus Willie Johnson."

Before he could read further, Willie almost broke up the meeting by solemnly declaring, "Lawdy! How onesided!"



Cartoon by Grassick.

Post Scripts

New Inco President

DR. THOMPSON

Dr. John Fairfield Thompson, B.S., Ph.D., recently elected president of International Nickel Co. of Canada, has had over 40 years' experience with the company which he joined on leaving Columbia University with his Ph.D. in 1906.

Dark, stocky of build, quiet spoken, "Doc" Thompson has a keen wit, and people warm up to him quickly. Born in Portland, Maine, in 1881, he went to Columbia School of Mines, got his B.S. in 1903, his Ph.D. degree in 1906. During those three years he was metallurgy assistant at the mines school. For his distinguished engineering achievements he was awarded the Thomas Egleston medal of the Columbia University Engineering School's alumni association in 1944.

Thompson became associated with Inco in 1906 as metallurgist in charge of the research laboratory which had been established at its Oxford works (Bayonne, N.J.) for investigating potentialities of the nickel-copper alloy, Monel, which had just been developed.

In charge of all research and technical activities on Monel and malleable nickel and head of all field and outside plant operations from 1906 to 1918, he estabished and became manager of the first technical department, which was a forerunner of International Nickel's present Development & Research Division.

Becoming manager of operations in 1921, he supervised the construction and initial operations of the company's West Virginia, Huntington Works, founded for the production of nonferrous alloys.

When the present International Nickel of Canada was formed in 1928, he was named assistant to the president and then a director, and in 1931 a member of the executive committee. He became a vice-president in 1932, executive vice-president in 1936, advisory committee member in 1937, and president in Feb., 1949.

He also served as executive vice-president of the company's U. S. subsidiary, International Nickel Co., Inc. since 1935 and as a director of that company since 1928.

In addition, Thompson is chairman, president, vice-president and/or director of several U. S. mining, metal, chemical and financial corporations and is prominent in leading U. S. Canadian and U. K. professional and Scientific Mining and Metals organizations.

Thompson lives in New Canaan, Conn., belongs to the City Midday, Columbia University, University and Downtown clubs in New York and the New Canaan Country Club.

• • •

Young 'Water St. Merchant'

Newfoundland can count on a hearty handshake from Canada's Junior Chambers of Commerce come March 31, the day Newfoundland enters Confederation. Plans are already laid for a message of welcome to be sent to Newfoundland communities from Junior Chambers across Canada. Better still is news the Old Colony is already organizing its own "Jaycee."

First president of Newfoundland's first J. C. of C. has already been appointed. He is Paul Derrick Bowring, 32, managing director of Bowring Bros., big St. John's department store. Mr. Bowring is one of that group of Newfoundlanders who for years have been known as "Water Street Merchants."

He is the great-great grandson of clockmaker Benjamin Bowring who went to Newfoundland from England in 1811 to set up business as trader and merchant. Since then the Bowring name has loomed large in Newfoundland trade circles.

Now that Newfoundland is to unite with its long-time friend, Derrick Bowring hopes to see the new province get the Canadian swing of things. His own company has been putting across this message in Newfoundland newspaper advertisements. And Bowring thinks the Jaycee movement is a good way for Canadians and Newfoundlanders to get to know each other better.

To find out latest thinking in Canadian retailing circles, keen, bespectacled Bowring went to Montreal to attend the recent Retail Federation conference. In his own company he presides over periodic meetings of the "store management committee," a group of young store managers whose average age is 32.

Bowring says he's a fisherman, but unlike most of his compatriots he never catches any fish. He has met with greater success in his other hobby of mixed farming. During the war he served with the Newfoundland Gunners. He's married, has a family of three.

• • •

Aerial Hitch-Hiker

MR. MACINNES

Back in early 1944, an RCAF public relations officer was slated to return to the United Kingdom from Algiers. He'd been covering operations in Sicily, North Africa, the Middle East, India and Ceylon and was due for some leave in the U. K. It occurred to him, however, that he hadn't been home since April, 1941, and that a routing via Ottawa would be more suitable than the direct trip.

Four and a half days later, Rod MacInnes had a reunion in Bytown with his wife and son, after successfully scrounging rides with U. S., RAF and RCAF transport planes—Algiers, Marrakesh, Dakar, Natal, Belem, Miami, New York, Ottawa. He had three or four days at home, and only a little over a week after leaving Algiers, he was back in London at his job as RCAF director of overseas public relations.

This hitch-hiker extraordinary had set up the directorate of public relations when he first went overseas in 1941, and remained as its director until late in 1944.

New Year's Day, 1949, found him once more charged with a similar job—setting up a new public relations department for Trans-Canada Air Lines which formerly had been making use of the Canadian National Railways' PR organization.

Following his discharge from the Air Force in 1945, MacInnes had joined the public relations department of General Motors of Canada, and a year later was appointed director of the New York office of Canadian Information Service. He became associate manager of the CNR and TCA press bureau in 1946, remaining there until October, 1948, when he was loaned by CNR to the Department of National Defense as acting director-in-chief of public relations.

TCA's 37-year-old PR chief is a native of Vancouver, but he received most of his public and high school education in Toronto and university education at Georgetown University, Washington, D.C. His first assignment to do with aircraft came when, in his student days, he used to cover Newark airport for the Newark Evening News. Following graduation he went to United Press, then returned to Canada to go with British United Press. From 1937 to 1939 he was BUP representative at the Press Gallery in Ottawa, enlisting in the RCAF at the outbreak of hostilities.

Headquarters of TCA's public relations department is at Dorval airport, so Montreal is home for the MacInnes family. With the prospect of keeping in touch with staff personnel in Toronto, Winnipeg, Vancouver and London, England, it looks, however, as though R. O. MacInnes hasn't seen the last of his aerial hitch-hiking career.

What Others Are Saying

Editorial of the Week

None Above Criticism

(Regina Leader-Post)

In the course of a speech, Hon. J. W. Corman (Saskatchewan attorney-general) let slip a remark which lacks all justification and is in thoroughly bad taste. He suggested that some of the criticism directed against Dr. Shumiatcher in recent years "by various agencies" might be "an infringement of the bill of rights."

Neither consciously, unconsciously or in any other way has The Leader-Post ever violated the bill of rights. Dr. Shumiatcher is a public figure, subject to criticism in his public actions in the same way as any other public figure. This newspaper has also at times criticized Mr. Cadbury, Mr. Bryden, Premier Douglas and Hon. J. W. Corman. Such criticism has been concerned solely with their public activities and in that respect criticism of the Government's legal adviser does not differ one iota from the preceding cases. Nor if Dr. Shumiatcher were a Hittite, a Mohammedan, a Brahmin or first cousin of the Dalai Lama would any of such criticisms been modified, amended, harshened or softened in the slightest degree.

If Mr. Corman is suggesting that because a man in public life happens to belong to a certain racial or religious group he is above criticism, then the attorney-general is in effect sabotaging his own bill of rights. Also if newspapers or private individuals can be charged with "unconscious infringements," we shall need a "thought police" to watch over our dreams in order to defend a Saskatchewan statute.

Other People's Views

TOO MUCH BRAWLING in the House of Commons, thinks the **Edmonton Bulletin** which urges more discipline by the Speaker. "We shall hope all members will realize there is a sharp distinction between spirited debate and mere Billingsgate."

IT DOESN'T NEED A SNOWSTORM to make a small city beautiful, boasts the **Nelson (B.C.) News.** "It takes the story of grime and filth of a big city to make us realize how fortunate we are in our bright, clean city—which is just as attractive under a summer sun as it is hidden under a layer of snow."

SMALL BUSINESS is handicapped by excessive taxation, thinks the **Cranbrook (B.C.) Courier.** "Excessive taxation acts as a restraint on business, and the small operator who is obliged to hand over to the taxation department a goodly portion of his earnings—which he otherwise might put into development and expansion of his plant and equipment—finds himself operating under a severe handicap. When sales of his product are curtailed due to unreasonable taxation he faces undue hardship.

ENGINEER should be appointed by Canada to fill remaining vacancy on the International Joint Commission says the **Regina Leader-Post.** "This commission, which at full strength consists of three Canadians and three Americans is charged among other things with the great responsibility of working out a fair apportionment of water resources between Canada and the United States with respect to international streams and marine bodies. The matters they deal with are of vital concern to both countries and usually involve complicated engineering problems."

A MUSHY DIET says the **Brantford Expositor** of the various government hand-outs. "Too many young people—and older ones as well—seem to think the state (meaning the taxpayers) owes them if not a living at least as many hand-outs as they can extract! And governments have a habit of pandering to that unfortunate weakness—particularly when the pandering seems likely to pay off handsomely in votes. That kind of paternalism never made a good citizenry or a great country. Canada was not brought up on so mushy a diet, and will not thrive on it in the future."

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March 26, 1949

LABOR ROUNDUP

BY RONALD WILLIAMS

Union Spotters to Check Truck Drivers Continent-Wide Survey Begins April 1

A continent-wide check-up to find out which truck drivers are union members is due to get under way April 1. On instructions from Dave Beck International President of the AFL Teamster's, every truck on the highways in Canada and the United States will be checked to ascertain if the driver is a union member and if so, if he's in good standing and also if employers are fulfilling their contracts.

There are roughly 500 000 trucks on Canada's highways. 6.5 million in the United States. According to Beck, none will be actually stopped. The check will be made by union spotters at strategic points such as eating stands, tunnel entrances, weigh-in stations and fueling points. All drivers will be asked to show their union cards.

In Ontario Bill Mills, local union chief, expects the survey will add 6,000 to membership rolls. "There will be no coercion," said Mills. "It is simply a check on drivers who have not paid their dues and an effort on our part to induce non-union drivers to join up."

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Straws In Wage Wind

Another straw in the wind indicating the 1949 wage pattern the key CIO Steelworkers might set in current talks with the steel industry (The Financial Post, Mar. 19) was seen this week in a Maritime settlement. In New Glasgow, the Steelworkers agreed on a raise of 5c an hour, a two-year contract which included an arrangement gearing wages to the cost-of-living as in the CIO Auto Workers. Hours were cut from 48-44. About 300 steel workers employed by Maritime Steel were affected. The union originally asked for 20c an hour; the company offered 3c.

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$7 Billion Payroll

Total wages paid Canadians last year added up to the biggest payroll on record; $7,130 millions, an increase of 14% over 1947. The cost of living, according to DBS, went up 14% also.

"It would appear," says the Bureau, "that purchasing power of labor income in the aggregate was fairly well maintained, although average weekly earnings tended to lag slightly behind rising consumer prices."

In all industries except forestry, where there was a 4% drop, total wages were higher. December payrolls, while slightly below November, were $67 million above December a year ago.

Employment index in 1948 in nine leading industries averaged 4% higher than 1947 while average weekly earnings jumped 11%. By Jan. 1, 1949, average weekly earnings had fallen by $2.01 to $39.46. But this was still $6.29 above Jan. 1, 1948.

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U. S. Bars Bob Carlin

The name of Robert Carlin, Canadian director CIO Mine, Mill and Smelter union, has been added to the growing list of Canadian labor leaders barred from the United States on political grounds. Two days earlier, Margaret Gould, editorial writer, Toronto Daily Star, long associated with leftwing movements, was temporarily barred under the section of the Immigration Act under which a number of known Communists have been denied entry.

Carlin was turned back at Malton airport. It is believed he was heading for Denver, Col. for a conference with Reid Robinson, the union's key U. S. officer who was deported from Canada last year because he was a Communist. Carlin, not known to be a Communist, has regularly followed the party line and was expelled from the CCF for it.

It is believed Carlin was heading south to get last minute instructions from Robinson on what line to take when the dispute with the CCL comes up this week in Ottawa. There the CCL Executive committee will deal with the Smelter union's refusal to obey a CCL order to withdraw from the Sudbury area in favor of the CCL.

Suspended last year but reinstated the Smelter union again faces the same treatment. It is no secret that the CCL executive (all but two members are vigorously anti-Communist) is ready to again temporarily and perhaps permanently suspend the Carlin outfit.

British Columbia Mine, Mill members didn't help their union's cause any when they subjected CCL President A. R. Mosher to a vicious dressing down when he spoke to a recent district conference in Vancouver.

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No Raise No Bread

Unless they baked it themselves, or managed to get a loaf from small independent bakers, Winnipeggers went without bread last week. To enforce demands for 20c hourly raise for inside workers and $8 more a week for salesmen, about 700 of the city's bread workers went on strike against the four big bakeries: Canada Bread; Westons, Picardy and General Bakeries. Deliveries to about 95% of the city's homes were affected.

The strike was called when the union rejected a Conciliation Board finding recommending $1 a week more for salesmen and an 8% increase for inside employees but to be deducted from their weekly cost-of-living bonus of $4.75. The report didn't even mention the union request for the 40-hour week. Present basic rate for salesmen is $35 a week. Promptly, Local No. 1 Canadian Bakery Workers' Union, struck.

At midweek, there was no sign of a settlement in sight. The strike was legal. Manitoba Department of Labor virtually washed its hands of it, in view of the unanimous Conciliation Board recommendation and the union's flat rejection of it.

Meanwhile hospitals, homes, restaurants and hotels, as well as the army at Shilo, continued to manage as best they could without their regular supply of bread. Many nearby villages had no bread at all. To try to fill the gap, Winnipeg newspapers ran bread-making recipes on Page One.

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Showdown In B. C.

The showdown in British Columbia between Communists and their foes moved toward a climax last week. In Vancouver, three executives of the Communist-run CIO Mine, Mill and Smelter Union were served with writs charging they misdirected $31,000 belonging to the CIO International Woodworkers of America. The three: Harvey Murphy, Mine Mill's Western director and key B. C. Communist: John Moffet, B. C. District president and Ken Smith, secretary.

The actions arose out of the split in IWA last summer. The original Communist leadership, faced with an inquiry by the International into its finances, seceded, set up a rebel Woodworkers Industrial Union and tried to take the IWA's 30,000 members along. So far, only a few hundred have gone.

Last week also saw recovery of IWA's $10,000 power boat, the "Loggers' Navy." It disappeared with IWA funds, shortly after the Communists bolted. The craft was originally bought by two former union officers with union funds and registered in their own names.

Meanwhile, CIO President Phillip Murray set up a three-man committee to investigate charges that the Smelter union handled funds for the Communist bolters from the IWA. James Fadling, IWA International president, claims he has documentary proof that $31,000 IWA funds were wrongly transferred with the assistance of Smelter union men. The probe may extend to other unions known to have aided the rebels.

The new union is headed by the former two top officers of the IWA before the break—Communist Harold Pritchett and Nigel Morgan, B. C.'s LPP leader.

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Bengough The Paradox

If he's anything politically, TLC President Percy Bengough is a Liberal. As such, the aid and comfort he has given the Communists is both mystifying and irritating to unionists of all political shades but Red.

But when he attempts to make the anti-Communist revolt out to be a screen behind which the AFL in the United States is working to establish control of the TLC there is a reasonable explanation for it.

Bengough, as a member of the International Association of Machinists, is not a member of the AFL. The Machinists were suspended several years ago over a jurisdictional dispute with the AFL Carpenters.

At that time, the AFL asked the TLC to also suspend the Canadian branch. Bengough successfully led the fight against it. At that time, as now, the cry of "domination" and "local autonomy" was raised. Since then, Bengough has had no great love for the AFL.

Thus the Machinists find themselves out of the AFL but still an important part of the TLC. The same situation applies to the United Mineworkers. John L. Lewis' boys in the U. S. have been in both the CIO and the AFL and are now out of both. All through this period, the Canadian branches remained within the CCL.

Now there are signs that the AFL and the Machinists in the U. S. may be making up. If so, Bengough linking arms with the Reds on the misleading Communist-inspired "autonomy" issue would become as strange as his sympathetic collaboration with them has been.

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Labor Briefs

Retroactive to Jan. 1, some 1,000 members of Vancouver's Outside Civic Workers Union (TLC-AFL) will get wage raises ranging from 9c-17c or an average increase of 11.6c an hour. Original union demand was for 25c an hour. Under the new contract laborers will get $1.09-$1.13 an hour; truck drivers $1.18-$1.23 an hour; tradesmen $1.38.

• • •

National Syndicate of Aluminum Workers at Arvida, Que., decided to forego demands for increased wages in favor of a social security plan and cost-of-living bonus. Aluminum Co. of Canada agreed to social security measures guaranteeing employees 50% of their earnings for 13 weeks in case of illness; hospitalization for 31 days at $4 a day and surgical expenses up to $150.

• • •

Roy England, former party-lining president of Canada's biggest single union—Local 200 in Ford's at Windsor,—has been re-elected president. Like UAW Regional Director George Burt, England has decided to stop playing footsie with the Reds. As a result, there was no organized opposition to his try for re-election this year and he won easily whereas last year he just squeaked in over the anti-Communist candidate, Jack Taylor.

A. G. JOHNSON

has been appointed marketing director of World Brands Ltd.

New Bonds & Cash For Balfour Bldg.

MONTREAL (Staff)—Holders of Balfour Bldg. Ltd., Montreal, 6% first closed mortgage sinking fund gold bonds, due Oct. 1, 1943, have been notified by the trustee, National Trust Co., to surrender their bonds for cash and new 4% bonds of Balfour Realties Inc.

Under an agreement approved by bondholders' committee Jan. 8, exchange calls for payment to each bondholder of 25% of principal of Balfour bldg. bonds in cash and 75% in 4% first mortgage sinking fund bonds of Balfour Realties.

Balfour Realties bonds bear interest from Dec. 1, 1948. Maturity date is Dec. 1, 1963. Trustee will also pay each bondholder interest at 3% per year on Balfour bldg. bonds from Oct. 1-Dec. 1, 1948.

Intl. Air Lines Up Intake 137%

MONTREAL (Staff) — Growing volume of traffic being carried by international air lines is reflected in the 137% increase from $52.4 millions in 1947 to $124 millions in 1948 in value of transactions handled by International Air Transport Association clearing house in London.

Clearing house is used by air lines who sell transport over each other's routes in various currencies. Monthly balances are converted into either sterling or dollars and settlement of interline transactions is thus reduced to a single payment to or by the clearing house in one currency or the other.

Of 1948 transactions, 78% were cleared by offset, leaving only $13.6 millions to be settled in cash. This compares with 64% in 1947. Monthly accounts of individual air lines were on occasion cleared by cash payments of as little as one quarter of 1% of total transactions with other air lines. By such reductions of the bulk amount on which exchange premiums had to be paid, clearing house members saved as much as $30,000 during the year, according to A. J. Quin-Harkin, manager.

In addition, clearing house rules protected members last year against substantial losses on two months' transactions in French francs when that currency was devalued in Jan., 1948. Saving to members was more than three times annual cost of operating the clearing house, Quin-Harkin pointed out.

Under the agreement on currency rates of exchange, conversion is made at the rate prevailing when passenger or cargo passage is booked.

Membership now includes 34 air line companies of 20 countries, with a 35th, Iraqi Airways, due to become a member Apr. 1.

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LAMBTON LOAN & INVESTMENT CO. Sarnia, Ont. net profit was $78,192 in 1948 ($78,232 in 1947). Assets were slightly higher at $5,770,586 ($5,620,774). "Each asset in the company's balance sheet has been carefully revalued and we believe our reserves are sufficient to provide for all contingencies," the report states.

	1948	1947
Liabs. to public, etc.*	$4,072,123	$3,937,323
Shareholders' equity	1,698,463	1,683,451
*Secured by:		
Mtge. & sls. agree.	2,905,005	2,628,780
Realty for sale	3,004	14,952
Office premises	18,978	18,048
Liquid assets†	2,843,599	2,958,994
Total	5,770,586	5,620,774
†Includes bonds and stocks, of which Lambton Trust Co. stock $330,000.		
Earned per Share	$4.95	$4.96
Paid	3.00+0.50	3.50+0.50

CANADA PERMANENT TRUST CO. 1948 net profit was $101,738, compared with $85,642 for 1947. Earnings figure was only exceeded once in the company's 36 years. Once again, total of trust and estate assets has passed previous record. Gain was over $3 millions, so company now has over $72 million of estates, trusts and agencies in its care.

Steady stream of new business continues to flow into company's various branches throughout Canada. In all, about 321 new estates, trust and agencies accounts were opened, representing nearly $10 million of assets.

Company bought assets and business of General Trust & Executor Corp. of Nova Scotia. To expand its services in B. C., company is shortly opening a new branch in Victoria. It's expected, too, that before end of 1949 work will be started on new office premises for Canada Permanent Mortgage Corp. and the trust company, on Granville St. in Vancouver.

	1948	1947
Liabs. to public, etc.*	$134,691	$123,666
Shareholders' equity	3,034,849	1,608,111
*Secured by:		
Mtges. & sls. agree.	573,979	617,649
Liquid assets‡	2,595,561	1,114,128
Total	3,169,540	1,731,777
‡Includes bonds and stocks.		
Estates account	72,109,827	69,145,252
Earned per Share	†$8.14	$8.36
Paid	6.00	6.00

†Based on average amount of capital outstanding during year.

COMPANY REPORTS

CANADIAN BRONZE CO. 1948 net profit was up 51.3%. Year was firm's most successful in every respect, annual report states. Railways, principal customer of the company, carried record tonnage. Shipments to car and locomotive builders for domestic and foreign equipment were substantially greater than in 1947, with industrial business steadily increasing.

Demand for company's products continues satisfactory, although some contraction from this year's peak is to be expected. However, with orders currently booked for delivery through 1949's third quarter, prospects are promising, President H. W. Tritt states.

A $34,600 refund against excess profits taxes was received from the Dominion Government and this has been added to earned surplus. To provide for potential new developments and prospective plant changes, directors have increased contingency reserve by $50,000, and during 1948, because of further substantial advances in metal prices they increased inventory reserve by $100,000 both from earned surplus.

Increased sales and necessity of taking delivery of raw materials against quotas has accounted for inventory increase over 1947, but increased physical volume is considerably less than sales increase.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$900,203	$684,389
Less: Depreciation	47,914	42,715
Income taxes	320,000	290,000
Net profit	532,289	351,674
Less: Pref. divd.	37,500	37,500
Com. divd.	200,000	160,000
Surplus for year	294,789	154,174
Earnings per Share and Dividend Record:		
Preferred	$70.97	$46.89
Paid	5.00	5.00
Common*	3.09	1.96
Paid (old)	1.50	2.00
Paid (new)	0.25+0.25	......

*Based on present outstanding capitalization after 2-for-1 common stk. split, Oct. 30, 1948.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$136,576	$368,561
Accts. rec.	979,036	575,857
Inventories	1,375,258	964,552
Investments†	349,404	255,496
Total curr. assets	2,840,274	2,164,466
Prep. exp.§	11,169	2,024
Misc. assets▲	156,308	176,400
Fixed assets*	881,859	864,086
Total assets	3,889,610	3,206,976
Bank loan (sec.)	175,000	......
Accts., etc., pay.	1,090,595	914,629
Taxes pay.	170,868	251,389
Total curr. liab.	1,436,463	1,166,018
Invent. & misc. res.	475,287	66,049
Capital stock	947,395	947,395
Surplus▲	•1,030,465	1,027,514
*After depr. of	1,184,338	1,136,425
†Market value	372,625	280,742
▲Incl. refd. EPT	156,307	176,400
§Incl. in curr. assets in co's. report.		
•Reflects credit amounts of $371,045 after $348,000 transferred to inventory and contingency reserves.		
Working capital	1,403,811	998,448

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A BIGGER, BETTER, MEDIUM !

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MONTREAL CANADA

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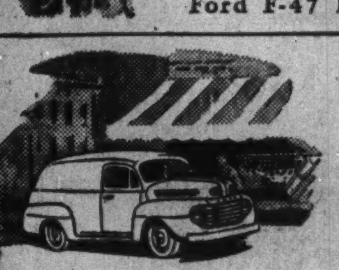
Ford Trucks are built with extra value—and *extra-strength*—in every vital part. They give you more truck-engineered features . . . a wider range of utility . . . extra features for driving ease and comfort. That's why Canadians everywhere use more Ford Trucks, on more jobs, than *any* other make!

*BONUS: *"Something given in addition to what is usual or strictly due."*
—Webster's Dictionary.

I MUST HAVE ECONOMY!

Every dollar saved is a dollar added to business *profits*. That's one reason why owners choose an economical Ford F-47 Pickup.



I LIKE EASY HANDLING!

The Ford F-47 Panel Truck is a "natural" for delivery service . . . gives fast response in traffic, easy parking, short turning radius.

I HAUL BULKY LOADS!

The Ford F-135 Truck gives you the right combination of wheelbase, body accommodation, and power for extra load space—*with maximum savings.*

I NEED PULLING POWER!

The Ford F-155 Heavy Duty Dump Truck Chassis "pulls through" when the going's *tough*. It has "what it takes" to stay on the job.

MY JOB'S LONG HAULS!

Owners' records show they *stay on schedule* with a Ford Truck Tractor. Ford Truck dependability reduces "time out" for repairs.

SEE YOUR FORD TRUCK DEALER

To me - Craven 'A' quality makes all the difference
Craven 'A'
will not affect the throat
CRAVEN 'A' VIRGINIA CIGARETTES
CRAVEN 'A' 20

After all, the outstanding quality of Craven 'A' cigarettes has made them world famous. Nothing, in fact, quite equals the cool, smooth satisfaction they give—the extra pleasure so instantly apparent whenever I light up a Craven 'A'.

The largest-selling Cork Tipped Cigarette in the world!

CRAVEN PLAIN—without cork tips—same fine quality as Craven 'A'.

CARRERAS LTD., LONDON, ENGLAND—150 YEARS' REPUTATION FOR QUALITY

RED DEER BRAND

BIRCH and HARD MAPLE FLOORING

"This name has long been associated with High Grade Hardwood Flooring and Northern Hardwoods: Spruce and Hemlock."

RED DEER BRAND

The MUSKOKA WOOD Products, Limited
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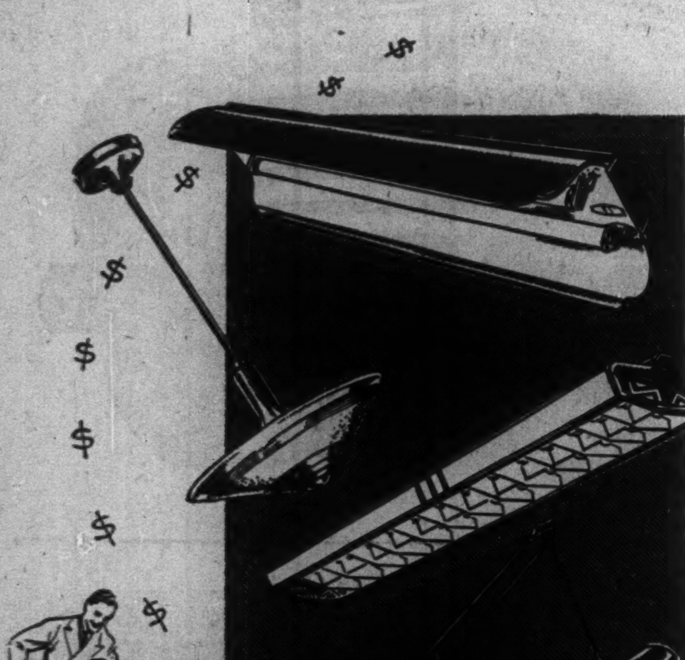

Lighting that is planned to meet specific working conditions increases employee efficiency. More work is produced with fewer mistakes. In other words, with planned lighting you are investing in illumination, instead of buying fixtures. Amalgamated Electric lighting engineers will gladly make a survey and recommend the correct type of lighting (incandescent or fluorescent) for your plant and offices.

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AMALGAMATED
ELECTRIC CORPORATION LIMITED
TORONTO AND MONTREAL

T. S. E. Publishes New Index For Various Stock Groups

Toronto Stock Exchange statistical department has created a new series of price indexes of Canadian stocks, grouped according to industries and known as "quoted value indexes."

Purpose is to chart the action by months of Canadian issues according to industries since the market action of a stock over a long range period usually reflects the conditions inherent in its own industry.

Figures of new series will be issued monthly and are supplementary to the hourly indexes which treat the market in the broad classifications of industrials, golds and base metals.

As the basis of its compilation, new series uses "quoted values," a term given to method of multiplying last monthly price of all listed stocks by their respective outstanding capitalizations. Method is different from that of hourly indexes, which use average of market prices of 20 leaders

New series takes into account prices of 854 stocks listed on TSE, a widespread list which has created certain demand for a specialized presentation of market movements by industries; new index series is in response to these requests, it is said.

Until lately no adequate method was devised of breaking down the list into indices of its component industrial "groups." The use of the old "quoted values" figures of the various industries was limited by the fact that new listing and delistings destroyed any continuity for comparison purposes.

The new series surmounts this problem by only taking a new listing into account in the second month when a percentage increase or decrease can then be calculated against its group. Delistings are treated similarly. A chain index is then made of these figures with the base of 100 arbitrarily chosen as that of Dec. 31, 1940, since it was on that date that the Exchange's hourly industrial and gold indexes were closest to par, the industrials being 100.94 and the golds 108.31.

A comparison of the new series with those of the three old daily indices shows satisfactory statistical agreement in the trends when charted. Under these circumstances, comparison of any of the new series may be made with the general trend as depicted by the daily indices, although the Composite or All-Industrial Q.V.I. is possibly more accurate for this purpose. It is pointed out that comparison between groups is also possible because of the fixed and single date of origin, while the action of an individual stock may be considered against that of its own group.

Industries treated are: agriculture and allied, base metal, construction and steel, finance, food and allied, senior gold, junior producing gold, gold prospects, liquor, manufacturing, miscellaneous industrial, motor and allied, oil refining, paper, retail stores, textile and utility.

New Firm to Give All-Water Freight Service, Ont. to Nfld.

The anticipated increase in business moving from Canada to Newfoundland following Confederation has led to the formation of a new shipping company, Newfoundland-Great Lakes Steamships Ltd., to provide a freight service direct from Hamilton and Toronto to St. John's Newfoundland.

The study of freight rates from points in the interior of Ontario is under way. It is almost necessary to make each shipper's problem an individual study, it is stated. Where producers or manufacturers in Ontario find it difficult to meet market competition in Newfoundland, every possible effort will be made to adjust the freight rates of this direct service in order to allow them to compete fairly.

Company Officers

President and managing director of Newfoundland-Great Lakes Steamships Ltd. is Charles H. Tregenza, Hamilton, Ont. He is president of Falmouth Steamships Inc. and connected with several other corporations. Until recently he was president and co-owner of Lunham & Moore Shipping Ltd., in Montreal and New York. Mr. Tregenza is experienced in shallow draft transportation. During the war he handled over 2 million tons of bauxite ore for Aluminum Co. of Canada through the New York State canals, Great Lakes and St. Lawrence when ships carrying this ore were forced to use the short route via New York due to fear of submarine destruction.

Chairman of the board is Dr. F. J. Bennatto, Hamilton, Ont. Dr. Bennatto is president of Wood, Alexander & James Ltd., a large wholesale hardware firm, and a director of a number of other companies.

Head office of the new company will be in St. John's, Newfoundland, with executive and business offices in Toronto.

Main service will be from Toronto and Hamilton every 14 or 15 days. Last port of call will be Toronto, with steamers sailing direct to Newfoundland taking seven or eight days to complete the voyage from there. It is planned to include ports as far west as Sarnia, Windsor and Leamington and eventually to service the mining districts in Labrador and Quebec.

Need New Ships

As the vessels must go through 28 St. Lawrence locks, a particular type of shallow-draft vessel is necessary. Further, the Canada Shipping Act will apply making it obligatory to use only Canadian or British flag vessels which will have to be licensed to freight out as far as Newfoundland. Before the war there were some 126 of these vessels in existence but war's end only 68 were left. As only 14 have been built since, it is difficult to secure the proper type of ship. New ships must be built but in the meantime the best possible vessels will be used.

The service which will be effective in 1949 is expected to be only the beginning of a complete coverage from the Great Lakes to all points in Eastern Canada. Expansion of this service is bound to take place to fill the transportation needs of the growing mining developments in Labrador and Northern Quebec which can only be served by water transportation, the company expects.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

EMPIRE LOAN CO., Winnipeg, Man., had a net profit of $7,277 in 1948 as compared with $4,455 in 1947. Total assets were $524,844 ($521,417 in 1947). Deficit account amounted to $120,930 ($128,207).

"No provision has been made in the accounts as at Dec. 31, 1948 for losses which, in our opinion, the company will sustain in the realization of mortgages, agreements for sale and real estate," the auditors state.

	1948	1947
Liabs. to public, etc.*	$6,440	$10,652
Forfeited shares	779	778
Shareholders' equity	517,625	509,985
*Secured by:		
Mtge. & sls. agree.	437,039	441,290
Liquid assets†	87,805	80,125
Total	524,844	521,415
†Includes bonds and stocks and office premises.		
Earned per share‡	$1.14	$0.70
No dividend payments.		
‡Based on paid-up capital.		

INTERNATIONAL UTILITIES CORP. Consolidated 1948 net profit was up 16.4%. Rapid expansion and development of two natural-gas subsidiaries, Northwestern Utilities and Canadian Western Natural Gas Co., and the electric subsidiary, Canadian Utilities Ltd. account for steadily rising net income and dividends.

Both gas companies, over long range, are in a sound position for natural gas reserves. Because of surging growth of Edmonton, Calgary, and all Alberta, officers of the operating companies have been constantly pushed to meet requirements for additions, extensions and betterments.

Gross property additions in three postwar years total $13,358,000 and in 1948 were $5,762,000, which represented a growth of nearly 20%. Even so, materials supply, particularly steel gas-pipe, was insufficient to meet demand for service; 1949 will be another active year for construction crews.

Each operating company recorded substantial gains in output and number of customers: Canadian Western, 19,989,827 M. cu. ft. of gas sold (18,182,988); Northwestern Utilities, 12,584,812 M. cu. ft. (10,516,293); Canadian Utilities, 30,212,225 kwh. (26,019,116). Total number of customers: 84,929 (76,021).

Investments include 434,000 shares of common stock of Anglo-Canadian Oil Co. which are owned by the three Canadian subsidiaries. These shares were acquired at $1.03 a share. Early in 1949 they sold as high as $5 a share in Canadian currency and at date of report were quoted at $4.35 a share.

It will be noted, the annual report states, that this investment is equivalent to a little more than one half a share of Anglo-Canadian stock for each share of International Utilities Corp.

Should it be determined that, after providing for Alberta's long-term future gas requirements, adequate reserves are available for export, management believes corporation and its subsidiaries are in an exceptionally favorable position to be in the forefront of export activities, and real progress along these lines should be made in 1949.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$3,359,254	$2,996,908
Less: Amort. & depr.	491,386	440,174
Interest (subs)	320,398	235,745
Subs. pref. divs.	302,827	289,369
Other interest	20,887	21,510
Subs. disc. & exp.	22,648	21,732
Subs. pf. st. exp.	12,686	11,401
Exch. loss	4,631	4,513
Income taxes	841,147	819,557
Minority int.	12,060	9,719
Net profit	1,330,584	1,143,188
Less: Com. divds.	746,106	706,878
Surplus for year	584,478	436,310
Earnings per Share and Dividend Record:		
Common	$1.69	$1.45
Paid (new)	0.95	0.90

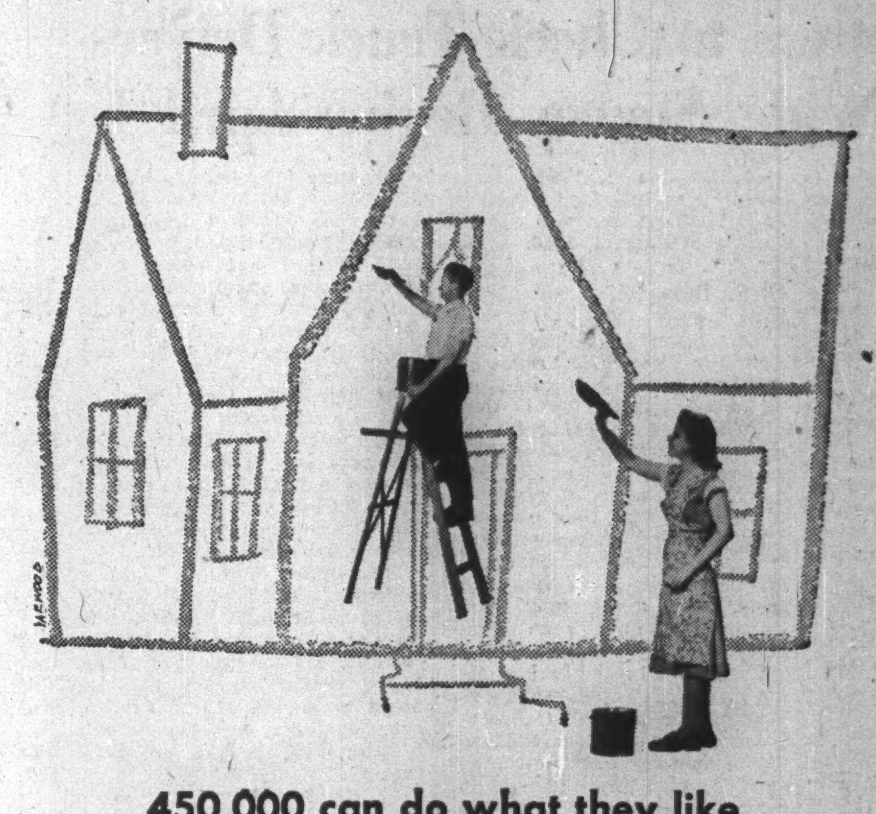
CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & govt. bds.	$2,080,510	$1,558,215
Accts. &— inc. rec.	1,168,564	892,653
Inventories	1,359,652	887,237
Total curr. assets	4,608,726	3,338,105
Misc. assets.♦	726,720	706,968
Special deposits	1,873,267	2,606,523
Other investments	3,320,303	3,694,104
Fixed assets	34,426,141	29,016,113
Total assets	44,955,157	39,361,813
Accts., etc., pay.	1,221,769	1,091,690
Income tax	474,824	393,830
Total curr. liab.	1,696,593	1,485,520
Depr. res.	9,235,314	8,785,771
Funded debt	12,460,000	9,600,000
Min. int. in subs.	8,099,394	6,821,751
Other res.	840,629	805,994
Capital stock	3,930,610	3,930,678
Capital surplus	3,754,959	3,754,891
Earned surplus♦	4,937,658	4,177,208
♦Incl. ref. EPT	287,082	296,632
Working capital	2,912,133	1,852,585

LA RONGE URANIUM MINES, under agreement of Dec. 15, 1948, sold 100,000 shares at 5c a share to Jas. W. Ralston & Co. and granted an option to Ralston & Co. on a further 900,000 shares at 5c to 20c a share. Authorized capital is three million shares of which 1,000,005 shares are issued. Issue was accepted for filing Mar. 2, 1949.

OMNITRANS EXPLORATION reports in its second annual report that negotiations are pending for sale of company's oil interests to an American oil organization, Albercan Operating Co. for a substantial block of shares and cash representing a great part of expenditures. Further information on this to be released later. With the exception of shares of Colomac Yellowknife Mines, interest in other mining companies in North West Territories, Manitoba, Ontario and Quebec, are stated to remain intact. Balance sheet as at Jan. 31, 1949, shows $2,352 cash in bank, $3,887 accounts receivable and advances to associated companies of $42,704 as against the accounts payable of $3,819. Holdings in other mining companies and syndicates are shown at $34,959 while holdings in Major Oil are carried at $366,738. There were 7,500,000 shares outstanding.

LEE GORDON MINES has completed an agreement under which G. Robert Reeds agreed to purchase 100,000 shares at 5c a share and under which Mr. Reeds receives an option on a further 400,000 shares at 10c to 25c a share. Authorized capital of the company is 3,600,000 shares of which 1,200,007 shares are outstanding.



450,000 can do what they like

It's a pretty good indication of the quality of Star Weekly readers when you find that half of the 900,000 families own their own homes.

It means that in addition to the general market of 900,000 families there are 450,000 who can remodel and redecorate to their hearts' content—happily conscious it's an investment of their own, not a gift to the landlord. It's just about a lifetime job too, as anyone who owns a house knows.

The Star Weekly offers many such specialized markets *within* the big volume market of 900,000 Canadian homes. In most cases the Star Weekly alone can provide a larger individual group—such as home owners, car owners, men, women, or children, than any other Canadian publication. And throw in Canada's biggest volume market as well.

50% of The Star Weekly's 900,000 families own their own homes

Cost of Advertising in The Star Weekly
To present a colorgravure page to 42% of English-speaking families in Canada costs $3300. A low cost per thousand families of $3.66.

The STAR WEEKLY
PUBLISHED AT 80 KING STREET, WEST, TORONTO, CANADA.
Montreal Office: University Tower
U.S. Representatives: Ward-Griffith Co. Inc.

THE STAR WEEKLY REACHES ONE OUT OF EVERY TWO ENGLISH-SPEAKING URBAN HOMES IN CANADA

JUST RIGHT FOR THE JOB..
WHITE
SUPER MARKETS

DOES your present truck have the right combination of power and capacity to economically meet the operating requirements of *your* job?

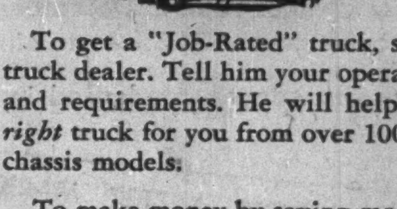
If not, your delivery expenses are probably higher than they should be.

It's different when you get a "Job-Rated" truck. Here's why:

Your Dodge "Job-Rated" truck will have the *right* engine—engineered to deliver "top" horsepower and torque . . . with real economy.

Your truck will also have the *right* clutch, transmission, rear axle, gear ratio, frame, springs and tires.

Such a truck will stay on the job. It will give you better service. It will last longer. It will save you money—every mile you drive it.



See Your Dodge Dealer!

To get a "Job-Rated" truck, see your Dodge truck dealer. Tell him your operating conditions and requirements. He will help you select the *right* truck for you from over 100 different basic chassis models.

To make money by saving money—switch to Dodge "Job-Rated" trucks.

For the good of your business . . .
switch to DODGE "Job-Rated" TRUCKS

What the Tax Cuts Mean to Business

Corporations Gains, Losses

What Corporations Gain—

1. Maximum of $2,000 in tax saving if profit exactly $10,000 (rate 10% vs. 30%); but saving drops to zero as profit reaches $77,000, then becomes loss.
2. Some saving in corporation tax where company can now offset current profits by losses experienced in past five instead of former three years.
3. Expectation of more simple and possibly more favorable treatment on depreciation and recognition of obsolescence; new provisions to be announced by Minister of National Revenue.
4. Increased ability to attract risk capital from bond, mortgage and real estate fields due to 10% personal income tax credit allowed on dividends on common shares.

What Corporations Lose—

1. Further 3% of profits taken as corporation tax on all profits over first $10,000 (taxed at 10%); rate over $10,000 now 33%, up from 30%.
2. Possibly increased costs where a corporation may wish to raise new funds by issue of bonds or preferred shares rather than common stock.
3. Chance to retain further funds for expansion through reduction in corporation tax; 10% tax credit on shareholder's dividends will tend to increase desire of common shareholders for a larger distribution of earnings.
4. Bookkeepers' time working out change in tax deductions and in arranging refunds under Jan. 1, 1949, retroactive feature of personal income tax changes.

Tax Changes For Companies

While corporations earning under $77,000 before income taxes obtain some tax relief by the tax changes, those earning more will pay slightly higher taxes. Reduction in tax runs from 66 2/3% for companies with a $110,000 or less taxable income, to nil for firms with taxable income of just under $77,000; then the tax increases on an ascending scale.

For example, firms with a $5 millions taxable income will pay 9.85% more taxes in 1949 than in 1948, other factors being the same.

This is illustrated by the following table showing corporation tax liability at various levels of taxable income for 1948 and 1949 under the proposed change:

On Profit of	Corporation Tax 1948	1949	Change
$	$	$	%
10,000	3,000	1,000	—66⅔
15,000	4,500	2,650	—41.11
25,000	7,500	5,950	—20.67
50,000	15,000	14,200	— 5.33
75,000	22,500	22,450	— 0.22
77,000	**23,100**	**23,110**	**nil**
100,000	30,000	30,700	+ 2.33
500,000	150,000	162,700	+ 8.47
1,000,000	300,000	327,700	+ 9.23
2,000,000	600,000	657,700	+ 9.62
5,000,000	1,500,000	1,647,700	+ 9.85

Ends Retail 'Irritations'

Repeal of the retail purchase tax, reduction in certain excise taxes were hailed by retailers generally as a fillip to business, the end of many irritations.

But, added an association spokesman, "It's been a long time coming." Retailers, he pointed out, had been campaigning for removal of these "nuisance taxes" for the past two-three years on grounds their postwar continuance was unnecessary and discriminatory.

General trade feeling was that the budget announcement would release a certain amount of purchasing power consumers had been withholding in recent weeks.

Many stores took immediate advantage of the budget statement to pull the customers in with advertisements announcing reductions effective immediately on all lines affected. Few retailers could afford not to pass on the entire tax-cut benefit.

While business was still brisk at the retail counters (monthly DBS retail sales figures were still on the upgrade at the end of February), it was felt before the budget announcement a leveling off might not be far away. Dual effect of income and excise tax reductions was considered to be just the tonic to keep business brisk longer.

Lines in which the excise tax was reduced from 35% to 10% had been moving most slowly, would benefit most. This was the case particularly in leather goods. Inventories in these lines (luggage, handbags, etc.) had been piling up recently to the extent that there had been layoffs in many factories.

These tax changes could also be expected to help some British imports move a bit more quickly, especially where the price differential with comparable Canadian goods was not particularly great.

More Wood For Furniture

Removal of import restrictions on lumber is good news to Canadian furniture manufacturers, who've been campaigning for the removal of these restrictions for the last 18 months.

The industry contended it could not get by on Canadian lumber, cutting of which was wasteful because of mixed grades, many of which were unsuitable for furniture manufacture, but could be exported to U. S. for other purposes in exchange for American lumber of the required types for furniture.

To the lumber trade as a whole, removal of the import ban may not be so welcome. Prices began to sag at the end of last year, under the new impact of competition from imports may be expected to continue on the downgrade. Lower grades have recently been slow in finding markets.

DIVIDEND NOTICES

KERR-ADDISON GOLD MINES LIMITED
(No Personal Liability)

INTERIM DIVIDEND NO. 53

Notice is hereby given that an interim dividend of seven cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on Thursday, April 28th, to shareholders of record at the close of business on Thursday, March 31st, 1949.

By Order of the Board,
G. A. CAVIN,
Secretary.

Toronto, Ontario,
March 22nd, 1949.

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How Tax Rates Compare

Here is a comparison of tax rates in Canada, U. S. and U. K. under new Canadian taxes:

(Married, No Children)

Gross Income	New Canadian Tax	Former Canadian Tax	U. S. (1) Tax	U. K. (2) Tax
2,000	—	70	100	234
3,000	150	270	251	538
5,000	510	670	578	1,296
7,500	1,030	1,260	1,048	2,068
10,000	1,660	1,990	1,556	3,476
20,000	5,510	6,140	4,512	9,826
30,000	10,160	11,315	8,366	16,950
50,000	21,264	23,043	18,078	33,875
75,000	36,664	38,968	32,245	54,500
100,000	53,064	56,143	47,841	82,126

(1) U. S. Federal plus New York State tax as at May, 1948.
(2) U. K. tax only approximate. This is 1948-49 rate where all income is earned.

New Depreciation Principle

Companies will have to calculate their depreciation allowance for tax purposes on a new basis in 1949, i.e. on the diminishing balance principle. The new basis will also allow deductions totalling the full "final proven cost of the asset to the taxpayers" on one hand; taxation of any capital gain on the other.

This will mean that business may be able to keep more up to date in its machinery and equipment through being able to make replacements earlier. Any loss in the exchange will be written off, depending on the final wording of the regulations.

While problems in this field are highly technical and so could not be explained in detail, Mr. Abbott summarized them as follows:

"In the past allowances have been granted on the basis of wear and tear of assets used in earning the income subject to tax. Under the new regulations which my colleague the Minister of National Revenue is proposing, the governing principle will be the amortization of costs of depreciable assets. Incidentally, an effect of this will be to allow for obsolescence hitherto unrecognized under our act.

In the second place the rates of write-off will apply to the written-down value of the asset account rather than to the total asset account. In the technical language of the accountant this means changing from the straight line method of depreciation to the diminishing balance principle. Of course the rates of depreciation will be appropriately increased having regard to the diminishing base to which they apply.

Thirdly, it is proposed to introduce what might loosely be described as a recapture provision. This provision will operate to ensure in effect that the deductions for amortizing the cost of an asset shall not exceed the final proven cost of the asset to the taxpayer. It will call for an adjustment against future write-offs where assets are disposed of after some use.

I might add here that the so-called add-back or adjustment will be limited to the written-down value at the end of 1948 regardless of the price realized on disposal of assets in order that there can be no possible claim that under this provision capital gains are being taxed, or that this recapture provision has any retroactive effect."

Publication of the new "appropriately increased" rates for depreciation is eagerly awaited by businessmen, as the actual benefit of the change will depend to some extent on these rates.

Labor Sees 'Ifs and Buts'

Labor's immediate reaction to the budget was "Hooray" followed by some tempering ifs and buts. It was conceded too, by a CIO official, that income tax cuts might have the effect of weakening unions' bargaining hand in current negotiations.

Eamon Park, publicity director of the key CIO Steelworkers, pointed out the government had almost met union demands on income tax. Unions had asked for $2,500 exemptions for married men; the budget raised it to $2,000 but also raised dependent's exemption to $150 which the unions hadn't asked for.

Using current DBS average weekly earnings (about $41.50) as a base, Park thought most wage earners in manufacturing would now be exempt. For a married man without dependents and earning this basic rate, tax cuts would mean a raise of nearly $2 a week.

If tax cuts on commodities are passed along to the consumer, they and the income tax savings could ease many a housewife's housekeeping budget problem.

"Before we are prepared to pass final judgement," said the Steelworker's official, "we want to see how far prices are affected. Already TCA has announced it is not passing the 15% tax saving along. If that's carried too far, the income tax cuts will be eaten up and the worker will be no better off than before."

Mines and Oils

No enlargement of assistance to the mining and oil industries is provided. But special tax provisions which have been important in stimulating both new mineral and oil production are extended.

Any metal or industrial mineral mine brought into production from 1946-49 inclusive has been exempt from corporation tax for its first three years of production. Same provision is now made to apply for any further mines brought into production in between 1950-52 inclusive.

Special deductions from income permitted taxpayers who are engaged in exploring for natural gas, oil or minerals were extended for one year—1949. These special deductions are now extended to cover a three-year period, permitting oil and mining industries to lay plans well in advance.

Great expense of drilling deep exploratory wells gets budget recognition again; special deductions from tax for taxpayers engaged in exploring for oil by deep wells are extended to 1950 on same basis as 1949.

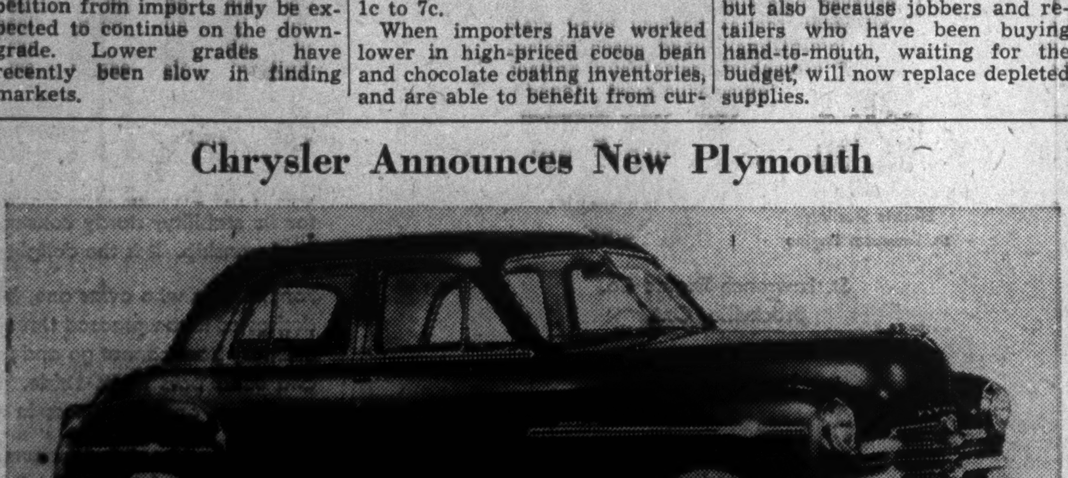
Boost For Candy Sales

Chocolate and candy makers look for an immediate boost in sales tempo in their products as result of removal of nuisance tax. Popular priced 90c lb. box of chocolates has now been cut to 80c, those lines that sold at $1 a lb. have been reduced to 85c. Chocolate bars have been pared 1c to 7c.

When importers have worked lower in high-priced cocoa bean and chocolate coating inventories, and are able to benefit from current sharply reduced prices, further price cuts at the retail level will be made. This could bring the pound box of chocolates down to 75c, the chocolate bar to 5c within another month or so.

But candy manufacturers are looking for a boost in sales not just because of the tax removal but also because jobbers and retailers who have been buying hand-to-mouth, waiting for the budget, will now replace depleted supplies.

Chrysler Announces New Plymouth



Introduction of 1949 Plymouth last week signaled the climax of the industry's post-war restyling parade. Wheelbase has been increased to 118½ in. but over-all length cut 6 in.; seats have been widened and headroom increased although over-all height decreased.

Here's Forecast of Revenue

Revised Forecast of Revenue for Fiscal Year 1949-50 Taking Account of Tax Changes

	Reduction in Revenue in Fiscal Year 1949-50 From Budget Proposals $	Revised Forecast of Revenue for 1949-50 After Budget Changes $
Customs duties	....	235,000,000
Excise duties	....	210,000,000
Sales tax (net)	....	385,000,000
Other excise taxes	— 86,500,000	173,500,000
Personal income tax	—244,000,000	591,000,000
Corporation income tax	+ 8,000,000	558,000,000
Interest and dividends	....	45,000,000
Succession duties	....	26,000,000
Miscellaneous taxes	....	4,000,000
Total tax revenue	322,500,000	2,227,500,000
Nontax revenue	....	200,000,000
Total ordinary revenue	322,500,000	2,427,500,000
Special receipts	....	50,000,000
Total revenue	322,500,000	2,477,500,000

Forecast of revenue from taxes prevailing before present budget changes was $2,800 millions.

EFFECT ON REVENUE OF PROPOSED TAX CHANGES

	Reduction in Full Year $	Reduction in Fiscal Year 1949-50 $
Personal Income Tax		
Increased exemptions and reduced rates..	270,000,000	235,000,000
10% tax credit for dividends	12,000,000	9,000,000
Corporate Income Tax		
Net increase in revenue from rate changes	+12,000,000	+8,000,000
Excise Taxes Repealed		
Soft drinks	28,000,000	24,500,000
Candy	19,000,000	16,625,000
Chewing gum	2,000,000	1,750,000
Transportation tickets	20,500,000	17,950,000
Berth and parlor car seats	1,500,000	1,325,000
Long distance calls, telegrams and cables	7,500,000	6,550,000
Transportation buses	150,000	130,000
Carbonic acid gas	350,000	300,000
Excise Taxes Reduced to 10%		
Retail purchase tax	8,000,000	7,000,000
Toilet articles	4,000,000	3,500,000
Luggage	4,000,000	3,500,000
Matches	2,000,000	1,750,000
Smokers' supplies	600,000	525,000
Pens and pencils	1,000,000	875,000
Cigarette lighters	250,000	220,000
Total	368,850,000	322,500,000

No Help For Television

Radio and television manufacturers found nothing to write home about in the budget but they aren't crying either.

The 10% excise tax stays on radios and the expected loan for CBC to build television transmitters didn't materialize.

Neither was there any relaxation of restrictions on radio and television parts which must be imported from the U. S. because they aren't available in Canada.

At present manufacturers are allowed $2.40 U. S. content per radio set. In view of the higher U. S. content in television receivers (about $7.50) it was fully expected Mr. Abbott would heed the plea of radio people and increase their U. S. dollar allotment to permit increased television output.

Despite the absence of good news, most radio manufacturers were looking for a spurt in business. Dealers have been holding back on stocks hoping the excise tax would be removed. Their shelves are almost bare.

As a result factory shipments have almost been at a standstill for a month.

Now that the uncertainty has been removed, it's expected dealers will start building up stocks again.

There isn't too much gloom in television circles either. The Government is definitely committed to a television development program through a reported loan of $5 millions to CBC. It wasn't provided for in the budget, but the general feeling is that it will be forthcoming shortly, perhaps under a special act.

There isn't too much dejection either, over the failure of the Government to meet the request for a higher U. S. dollar quota. There seems to be an understanding that when Canadian television is ready to go, import restrictions will be adjusted to allow manufacturers to bring sufficient U. S. parts to make enough sets to meet Canadian demand.

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LONDON HAMILTON KITCHENER QUEBEC HALIFAX SAINT JOHN

Lower Cotton, Rayon Prices

Removal of special duty exemptions on imports of U. K. cotton and rayon piece goods and a 25% increase in present import quotas on textiles from scheduled countries (mainly U. S.) will tend to reduce prices of cotton and rayon goods to the Canadian market, textile officials think.

Canadian importers will now be able to take increasing advantage of the lower textile prices prevailing in the U. S. At the same time they will have greater flexibility in placing orders.

Canadian cotton officials are generally happy about the change, would like to see the import quota further increased. Domestic plants, at best are only able to supply a little over 50% of the home cotton market, and working close to capacity, see possibility of cost paring as a result of the move.

U. K. cotton suppliers who have been slow meeting Canadian market requirements will now have another set-back in their export drive. Quality and prices will have to be improved if they are to hold even their current export rate to the Canadian market. During the last several months U. K. cotton goods imports have been reaching Canada in prewar volume (on a dollar basis).

Exemptions For Couples

Good news for married couples, where one or other is drawing a tax exempt income such as a war pension or a Dominion Government annuity issued prior to 1940, is contained in budget resolution No. 8.

This resolution provides that from 1949 on "the exemption from income tax of an individual in respect of a spouse supported by him shall not be reduced because of exempt income of the spouse."

This is interpreted to mean special cases such as where a war veteran is drawing a pension, which his wife supplements by working. Under the regulations his pension while not taxable income, is considered income when it comes to assessing the income tax position of the wife. She might, in some cases, claim married status for tax purposes. But the fact that her husband has a pension might prevent her being so regarded.

Similarly a young veteran might be drawing re-establishment credits while attending university. The payments he receives would not be taxable, but they would have to be taken into consideration in establishing his wife's status if she is working. In the past this has undoubtedly worked hardship in some cases.

The new resolution will remedy this situation, it is believed. Now the wife's exemption cannot be reduced because of any "tax exempt" income the husband may be receiving. Under this change, only taxable income will be considered in determining the income of a spouse as regards eligibility for deductions.

New Issue

$1,257,200

Nova Scotia Light and Power Company, Limited

4½% Cumulative Redeemable Preference Shares
(Par Value $100 per Share)

Preferred as to capital and dividends. Entitled to fixed cumulative dividends payable quarterly on the first days of March, June, September and December in each year when and as declared by the Directors out of the profits of the Company available for dividends at the rate of 4½% per annum to accrue and be cumulative from allotment. Subject to redemption as a whole or in part, at the option of the Company, at any time on 30 days' notice, at $105 per share plus accrued and unpaid dividends calculated to the date fixed for redemption, and at the same price in the event of voluntary winding-up. Each share entitled to one vote. These Preference Shares will be fully paid and non-assessable and will rank *pari passu* with the outstanding 6% and 4% Cumulative Redeemable Preference Shares. The rights, preferences, priorities, restrictions, conditions and limitations attaching thereto are more fully set out in the offering circular.

Transfer Agent: The Eastern Trust Company, Montreal and Halifax.
Registrar: Montreal Trust Company, Montreal and Halifax.

In the opinion of counsel these Preference Shares will be investments in which companies registered under The Canadian and British Insurance Companies Act, 1932, as amended, may invest their funds.

CAPITALIZATION
(After giving effect to the financing referred to in the offering circular)

	Authorized	Outstanding
First Mortgage Bonds	*	$10,357,000†
Cumulative Redeemable Preference Shares, $100 par value	$5,687,200	5,687,200‡
Ordinary Shares, no par value	300,000 shares	290,948 shares

* Additional bonds may be issued subject to the restrictive provisions of the Trust Deed.
† $7,357,000 of the 3⅜% Series due 1971 and $3,000,000 of the 3¾% Series due 1963.
‡ $2,430,000 6%, $2,000,000 4% and this issue of $1,257,200 4½%.

We have underwritten and now offer, as principals, the unsubscribed portion of this issue of 4½% Cumulative Redeemable Preference Shares which is being offered by the Company to its shareholders for subscription under authority of the Board of Commissioners of Public Utilities of Nova Scotia. These shares are offered for delivery if, as and when issued and received by us and subject to prior sale and the approval of counsel of all proceedings. We reserve the right to close the subscription books at any time without notice and to reject any or all applications and also in any case to allot a smaller number of shares than may be applied for.

Price: $99 per Share

It is expected that certificates will be available for delivery on or about April 20, 1949.

A copy of the offering circular will be furnished on request.

Royal Securities Corporation Limited

Montreal Toronto Halifax Saint John Quebec Ottawa Hamilton
Winnipeg Calgary Vancouver Charlottetown St. John's, Nfld.

A Dowager Kicks Up Her Heels

Maritime Store's Credit Policies Create Uproar

SAINT JOHN (Staff)—A British chain-department store operator recently purchased an 82-year-old conservative business here.

Now he has the staid old dowager kicking up her heels and doing things which have other merchants blazing mad and rushing to the New Brunswick legislature "for a law."

It's the super-duper long-term credit policies of the new boss, Harry Brooks, which are causing the commotion.

If you promise to pay $1 a week, the store gives you up to $150 worth of merchandise. For $2 a week you get up to $300, and so on up to $600 for a $4 per week contract.

You pay no deposit. You get the goods as soon as you make the first weekly payment.

The result: goggle-eyed and impecunious—and not so impecunious — Maritimers are getting radios for 25c a week and up; watches, clocks, diamond rings for 50c and up, carpets for 30c up; chesterfields for $1 up.

All this is going on at Saint John's oldest and biggest department store, Manchester Robertson Allison Ltd.

Break Postwar Policies

The new credit policies are the first major break in traditional consumer credit policies which have governed installment business in North America since the end of wartime 33⅓ down controls; policies enforced by federal legislation in U. S., by provincial legislation in Quebec and by general trade agreement elsewhere in Canada.

While it's reckoned by national credit sources that the number of people in Canada buying on time today is greater than at any time since the depression, the terms offered by the Saint John store are twice to three times as liberal, in terms of time to pay, as those generally available in other Canadian cities.

Typical of terms generally offered on furniture and appliances, for instance, is 10% down and 10-18 months to pay, with some firms allowing up to 24 months on large purchases.

Quebec provincial regulations call for a 15% down payment with a sliding scale of time to pay ranging from six months for $50 purchases up to 24 months on $300-$800 purchases. Maximum carrying charges are set at three quarters of 1%.

No retailer in Canada except the Saint John firm, says the Canadian Retail Federation, has been talking in terms of anything like three years to pay or in terms of payments as low as 25c —and that includes radio stores who've been indulging in distress selling (which has never hit lower than $1 down and $1 a week).

N. B. Asking 10% Down

Other New Brunswick retailers are alarmed by the new sensation. A bill to regulate credit terms which, in effect, would cut by one third to one half the time to pay allowed by Manchester Robertson Allison, as well as compelling down payments, was to be brought before the legislature early in the present session.

And with most retailers united in opposition to the store's method of trading—none have ever begun to get into competition with these terms—it's considered the bill will have an easy passage. Retailers canvassed have agreed to a 10% down payment, 12 months to pay off the balance of $150, 18 months to pay off $500.

Some angry retailers who allege "grossly unfair competition through terms that can only put the workers in life-long bondage to the store" have protested to suppliers and are seeking to have them boycott Manchester Robertson Allison.

But Manchester Robertson Allison seems entirely happy with its plan. Operations have been extended to Fredericton through purchase of a business there and reports are that other locations are being sought in Moncton and elsewhere.

The new credit plan came as a surprise from the 82-year-old, somewhat staid Manchester Robertson Allison because it represented a complete reversal of the store's traditional policies of catering to the higher income groups and to what the townfolk called "the county," with installment business most discreetly in the background.

At present the store's "easy" terms apply to chesterfields, bedroom, dining room and kitchen suites, radios, pianos, stoves, electrical appliances, watches, gift and mantel clocks, jewelry. Advertising throughout the Maritimes is extensive.

What extensions to other of the 48 departments of the store are planned, the store is not saying.

Behind The Change

Back of the dollar-a-week deal is a shift in control. The new top management is Harry Brooks, a British chain-department store operator. Mr. Brooks became president of M.R.A. Holdings Ltd., which owns the store, a few months ago. M.R.A. Holdings also controls Vassie-Brock-Manchester Ltd., a wholesale dry goods business with head office here, a warehouse in Halifax and branches in Sydney, N.S., and Three Rivers, Que.

At the same time as Mr. Brooks succeeded Walter C. Allison of one of the store's founding families, as president, A. C. Glennie, the store's general manager since 1941, became vice-president.

Asked by The Post to comment on the new credit policies Mr. Brooks declined.

New Issue in December

The change in store policies followed a new issue by M.R.A. Holdings in December last year of $1,250,000 cumulative participating redeemable preferred stock, $25 par, at $25 a share. The stock was offered by Eastern Securities Co.

Proceeds of the new issue, it was stated, would be used to redeem all the company's 1st and 2nd preferred shares outstanding as of Dec. 30, 1948, par value $598,000 at 106% plus accrued dividends and for general purposes and expansion.

As part of its long-range modernization program — by which it's aimed to make Manchester Robertson Allison "one of the most modern department stores in Canada"—the company recently added to the store a new four-floor and basement section.

Net earnings of M.R.A. Holdings Ltd. since the company was formed in 1941 have averaged $175,600 a year, it is stated, or two and three quarters the annual dividend requirements of $62,500 on the new issue. Earnings for the year ended Jan 31, 1948, totaled $325,249 and it is estimated that last year's operations will be shown to have netted a like figure.

Capitalization, on completion of financing, will consist of $1,750,000 authorized, $1,250,000 issued 5% preferred, $25 par and 40,000 authorized and issued n.p.v. common shares.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BRITISH COLUMBIA POWER CORP. 1948 net profit was up 31.4%. Gross revenues at $36,910,053 were 16.65% higher than in 1947, while operating expenses at $31,594,082 were up 13.54%. Various services contributed to the increase in revenues: kilowatt hours sold were up 16.65%, gas sold was up 9.07%, railway freight tonnage was up 41.09%, passengers carried were up 3.84%.

Results reflect the first full year's operation of the 4.5 million cu. ft. capacity carbureted water gas unit opened in August, 1947. A second unit was placed in operation in Dec., 1948. In Vancouver several routes were converted to trolley coach operation and in Greater Victoria conversion to an all-bus operation was completed.

New peak expenditure of $31,664,959 in 1949 brought the B. C. Electric expansion program within sight of completion. Within five years since end of war the electrical capacity of the Lower Mainland system will have been approximately doubled. Investors provided $22 millions for this program during 1948 and a further $20 millions this year to date; the latter figure replenished working capital and covered requirements of the 1949 construction program.

The 1948 outlay for additions included $14,857,000 for the Bridge River hydro development, initial 45,000 kw unit of which went into operation Oct. 23, 1948, eight months ahead of schedule. The second and third units, each of 45,000 kw are presently scheduled to go into operation in April and October this year. A contract is being negotiated with utility companies in Northwestern U. S. for sale of surplus power when the second unit goes into service.

Average electricity consumption of domestic customers increased more than twice as fast in 1948 as in the U. S., President A. E. Grauer stated. The average domestic customer of the B. C. Electric Co. used 1,812 kwh in 1948 (1,548 kwh in 1947) which was 17% more than the average electric customer in the U. S. Number of customers increased by 13,433 or 7% to amount to 207,324.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Gross oper. rev.	$36,910,053	$31,819,483
Net income	11,806,699	9,721,798
Less. Depr. & renew.	3,407,925	3,017,928
Empl. pens. fd.	1,023,965	914,917
Inc. tax res.	1,952,250	1,833,000
Add: Inv. prof.	15,223	288,702
Net revenue	5,437,782	4,244,655
Less fixed charges:		
Bond int.	1,864,698	1,438,025
Bd. disc. w/o	168,719	119,145
Subs. pf. divs.	800,880	706,880
Net profit	2,603,485	1,980,605
Less: Cl. A divs.	1,600,000	1,600,000
Surplus for year	1,003,485	380,605
Times Fixed Charges Earned:		
Before depr. & renewals	3.12	3.21
After depr. & renewals	1.92	1.87
Earnings per Share and Dividend Record:		
Class A†	$2.60	$1.98
Class A‡	2.30	*
Paid	1.60	1.60
Class B	‡0.30	†d0.02
None paid.		

†Before (‡after) participation.

*No earnings available for participation in 1947.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash, mkt. bds.	$1,027,369	$2,225,781
Accts. rec.	3,701,705	2,894,617
Inventories	5,857,755	4,951,598
Total curr. assets	10,586,829	10,071,996
Cash with trustee	......	3,109,300
Inv. cos. shs.*§	666,540	666,540
Empl. pens. fd.	3,356,530	3,260,077
Bd. refund. exp.	2,624,108	2,064,038
Constr. funds	411,194	......
Other assets▲	2,322,853	2,428,124
Fixed assets■	163,714,407	135,728,390
Total assets	183,682,461	157,338,465
Accts. pay.	4,466,326	5,945,790
Taxes pay.	2,603,476	1,934,884
Construct. acct.	4,500,000	......
Other curr. liabs.	2,199,797	1,399,684
Total curr. liab.	13,769,599	9,280,358
Funded debt	72,478,650	56,522,624
Gen. acc. res.	1,041,640	997,710
Empl. pens. fund	3,356,530	3,260,077
Subs. cap. stk.	23,987,446	18,987,446
Capital stock	59,250,000	59,250,000
Capital surplus	6,115,765	6,115,765
Earned surp.▲	3,682,831	2,924,485
■After depr. of	44,888,155	43,557,929
§Market value	453,357	445,621
▲Incl. ref. EPT	1,264,500	1,284,500
*Held by subsid.		
Working capital	*3,182,770	791,638

*Excess of curr. liabs. over curr. assets.

B. C. ELECTRIC CO. net profit of $3,173,949 for 1948 was up 29.1% from 1947's figure of $2,458,551. (See annual report of parent company, B. C. Power Corp.)

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net income	$3,464,829	$2,749,431
Less: B. C. El. Ry. pref. divd.	290,880	290,880
Net profit	3,173,949	2,458,551
Less: Pref. divd.	510,000	416,000
A & B divd.	1,664,000	1,686,304
Surplus for year	999,949	356,247
Earnings per Share and Dividend Record:		
Preferred†	$18.67	$20.49
4% paid	4.00	2.55
4¾% paid	0.60	....
6% paid	....	2.20
Cl. A & B	1.33	1.02

†4% and 4¾% pref. in 1948; 4% in 1947.

CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & mkt. bds.	$1,027,369	$2,225,079
Accts. rec.	3,701,705	2,894,617
Inventories	5,857,755	4,951,598
Total curr. assets	10,586,829	10,071,294
Bds. & cash with bdhldrs. trustee	......	3,109,300
B. C. Pwr. shares▲	666,540	666,540
Rec. re prop. sale	......	600,000
Construct. funds	411,194	......
Empl. pens. fund	3,356,530	3,260,077
Bd. ref. exp., etc.	1,895,096	1,274,562
Other assets♦	2,290,353	1,828,124
Fixed assets‡	163,714,407	135,733,390
Total assets	182,920,949	156,548,287
Accts. pay., etc.	4,455,965	5,938,885
Due B. C. Pwr. Corp.	827,870	759,712
Taxes payable	2,339,622	1,671,030
Construct. acct.	4,500,000	......
Other curr. liabs.	1,799,797	999,684
Total curr. liab.	13,923,254	9,369,311
Funded debt	72,478,650	56,522,624
Gen. & accid. res.	1,041,640	997,710
Empl. pens. fund	3,356,530	3,260,077
Subsids. cap. stk.	6,987,446	6,987,446
Capital stock	75,400,000	70,400,000
Capital surplus	6,115,765	6,115,765
Earned surplus♦	3,617,664	2,895,354
‡After deprec. of	44,888,155	43,557,929
▲Market value	453,357	445,621
♦Incl. ref. EPT	1,232,000	1,284,500
Working capital	*3,336,425	701,983

*Excess of curr. liabs. over curr. assets.

HAROLD C. COX, C.A.

Has been appointed Comptroller of The House of Seagram, it was announced today by Mr. Samuel Bronfman, President.

• • •

Mr. Cox joined the Seagram Company in 1946 and will make his headquarters at 1430 Peel Street, Montreal. Formerly a resident of Toronto and Windsor, Mr. Cox is a member of the Montreal Board of Trade and the National Office Management Association. *

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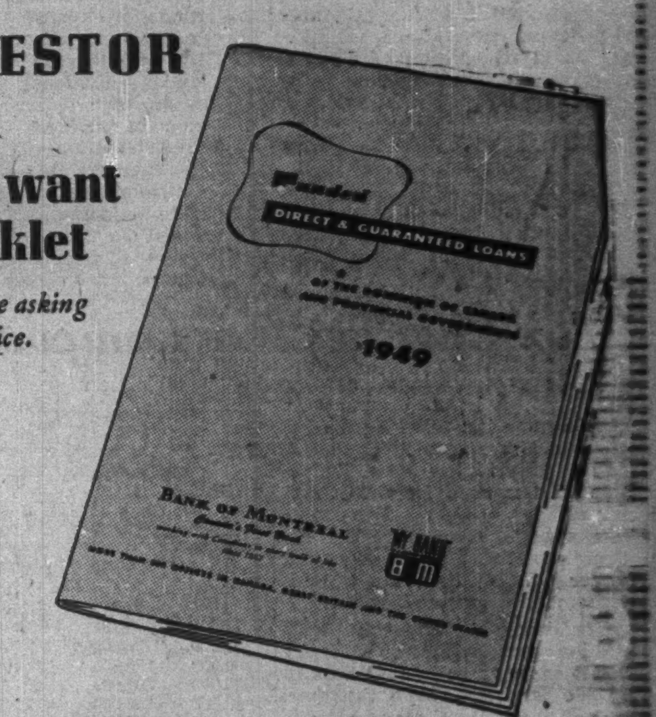

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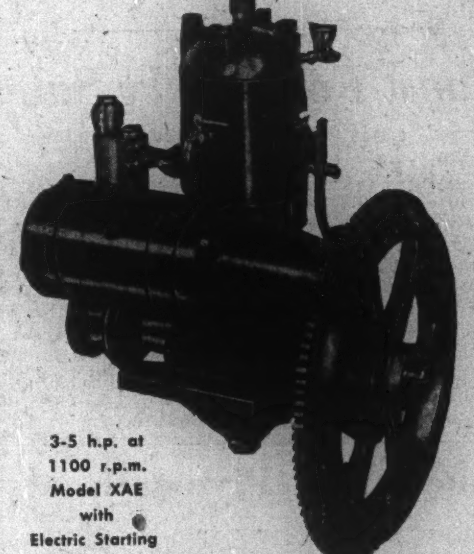

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What of Labor Unions As Boom Slips?

The Question: How will the easing of the postwar boom affect labor union membership and demands?

As the postwar boom eases, labor unions will lose membership more or less in proportion to present numbers, and they will continue to make demands of management, some of which will be met.

That's the gist of replies by management and labor officials to The Financial Post's question about the effect of postwar boom easement on labor union membership and demands. There is no deep pessimism in either group; both feel any hurdles can be met by intelligent approach to the problem by both sides.

"In union there is strength, but it must be a union of both labor and management," is one comment. Historically, trade-union membership expands during wars and booms, shrinks in depression; there is little evidence of any change in pattern.

Some unions, it's believed, will fight to hold every gain they've made, demand more; they'll likely take their punishment in unemployment. Some will ease up on wage demands, concentrate more on pensions, disability and other long-term benefits. Most hopeful sign is that many unions are developing leaders with higher executive capacity, and ability to co-operate better with management. In almost every case, the key word is "co-operation."

G.H. AIKINS, President, Manitoba Sugar Co., Winnipeg.

It would appear that employers generally welcome labor unions that co-operate in representing the requirements of labor as to suitable living wages and conditions and ensuring effective production.

A period of leveling off in prices and earnings should cause unions to seek a better understanding of problems confronting industry, and economic fundamentals which cannot be disregarded, and to become increasingly objective and realistic. If unions are reasonable and maintain this very proper role and refrain from extravagant and impossible demands there seems no reason for decline in either their membership or usefulness.

* * *

J. STEWART ALSBURY, Provisional President, B.C. District Council, International Woodworkers of America, New Westminster.

Steadily declining purchasing power of our membership makes postwar boom only noticeable in company profit statements. Statements of big concerns for the past year do not indicate any easing of what is termed a boom.

Labor is striving to more equitably distribute the national income so that adequate purchasing power in the hands of Canada's working people will prevent future economic slumps. I support the Canadian Congress of Labor's position that substantial wage increases are necessary in coming year as well as proper contributions by industry to welfare and pension plans.

Aggressive pursuit of such a necessary program will ensure a bigger and better labor movement and contribute to a more prosperous and healthy nation.

* * *

RALPH P. BELL, President, National Sea Products Ltd., Lunenburg, N.S.

As employment lessens, overall union membership will, I think, naturally tend to shrink, but proportionate to the numbers employed. I do not expect any decline in those intelligently-led Canadian unions where demands are moderated in line with changing conditions.

On the contrary, from unions dominated by the Communist element, I expect to see a continuation of typically exorbitant and unrealistic demands and over the long range I anticipate disintegration in many of the Communist-led unions.

* * *

A. F. BLAKE, Atlantic Sugar Refineries Ltd., Saint John, N.B.; Chairman, Maritime division, Canadian Manufacturers' Association.

Labor union membership will hold up for as long as union officers succeed in obtaining further concessions from employers. In view of the easing of the postwar boom and the halt in the increase in the cost of living, unions will probably urge hourly wage increases less vigorously from now on, but will concentrate on fringe demands such as pensions and disability benefits with long term value to them and will try to have costs borne by employer exclusively.

Needless to say, employers will be more cautious than they have been.

* * *

R. J. DEACHMAN, Writer and speaker on economic subjects, Ottawa.

A depression reduces the national income and alters its percentage distribution. In 1929, at the peak of the boom, labor's share was 20%, raw materials took 52.3%. The balance covered overhead charges and includes the profits of the entrepreneur. In 1932 the distribution was on the basis of 23.9, 48.2 and 27.9.

As volume determines real income, any decline affects earnings but the basic producer suffers more than any other group. Labor will fight to hold its rates. It will take its punishment in unemployment.

* * *

O. EDGERTON, General Secretary-Treasurer, National Union of Railwaymen, Winnipeg.

Labor's welfare depends on the economic state of the country. Trade union membership is in direct ratio to the number of workers gainfully employed in industry. If a depression comes it will adversely affect labor unions as every other group of citizens.

The only real basis for prosperity is greater production, brought about by still better methods, better tools and intelligent handling of the responsibilities and privileges of both management and labor.

Wage demands should be determined by the over-all picture of industry. The wellbeing of one class of society cannot be achieved at the expense of all other classes.

* * *

Wm. S. GIBSON, President & General Manager, National Cellulose Ltd., Toronto.

I want to be co-operative but I haven't the faintest idea about what will happen. However, our labor unions are generating leaders of increased executive capacity. The labor leaders are, of course, politicians the same as I am. As such their actions are unpredictable but if met halfway they will in my opinion be co-operative.

* * *

RENE B. PERRAULT, President, Cumming-Perrault Ltd., Montreal.

The question requires two separate answers. Easing of postwar boom has already had its effect on both labor union membership and union demands, but results will not be the same. Union membership not under closed shop control depends on full employment and ability of union leaders to pull concessions out of the hat.

Easing of boom is reflected in today's growing unemployment. Union membership will unquestionably fall off.

Effect on union demands is another thing. Employers have generally conceded increases or fringe benefits depending on changes in cost of living. The latter increase in the past year is half the preceding 12 months. Regardless of easing of boom, union demands will be made and in most cases partially met.

* * *

BASIL SCULLY, Radio Station CJIC, Sault Ste. Marie, Ont.

I see no appreciable change in labor union membership but doubtless labor unions will realize they are no longer in the driver's seat. Their demands will become more moderate with a closer spirit of co-operation existing between labor and management. More attention will be paid to management problems because of the effect such problems might have on the welfare of the individual union member.

The competitiveness of a buyer's market will increase the importance of good relations between both groups. "In union there is strength," but it must be a union of both labor and management.

* * *

M. L. SWEENEY, President & General Manager, Sweeney Cooperage Ltd., Vancouver.

Easing of postwar boom, in my opinion, will result in labor union membership realizing that it is necessary to produce in competition against other countries. In other words, that something must be delivered for something paid and the days of easy money are over. From my observation, labor is much more co-operative at the present time and I am under the impression that this condition will continue and it should be encouraged by management.

Canadian manufacturers, more particularly those who export a fair percentage of their products, must work together with labor or if they do not all work together, then they are up against an insurmountable obstacle of high cost and curtailed volume of sales.

* * *

JACQUES VERREAULT, News Editor, L'Action Catholique, Quebec City.

Easing of postwar labor boom will not necessarily affect labor membership, especially if employment is kept on a good scale. Workers certainly have advantages to be members of solid and responsible union. Capital can also find the going easier if the employees are grouped and have developed a sense of responsibility.

As for demands, there is no doubt that some unions, or at least their leaders, will be less exacting, unless they want to curb our industrial growth. It is common knowledge, now, that most of the demands are pressed by union leaders who simply want to secure their situation.

In too many cases, unfortunately, they will not hesitate to declare a strike and put all the members of their union out of work for days or weeks for only a question of prestige. A small but very influential group is always at their disposal to "give them a strike ballot." This kind of leadership is certainly deplorable and cannot bring but hardship for the working class and disruption for the industry.

More and more, the members of the different unions have a tendency to react to this kind of leadership and it is surely to the advantage of everybody. Some leaders will have to take more seriously the interest of their own members and avoid conflicts that can be easily ironed by means put at their disposal by the existing laws.

* * *

W. A. WECKER, President & General Manager, General Motors of Canada Ltd., Oshawa, Ont.

I believe it should not be anticipated that labor's leadership will relax demands in more normal times ahead, but will continue to be aggressive for welfare and security and other objectives, as well as for the maximum wage structure within the limits of the economy.

* * *

W. C. WHITTAKER, Western Canada Bituminous Coal Operators' Assn., Calgary.

History of trade union membership shows that it has in the past greatly expanded during war and other boom periods. Following these, it has shrunk considerably during periods of recession. I am inclined to feel that same pattern will be repeated although perhaps not to the same extent, particularly in cases of strong, well-organized unions which have established welfare and retirement funds.

The fact that these funds are vested in the organization and benefits are conditional on union membership will have effect of tying employee to union. Hence the present emphasis on this type of demand rather than on larger direct wage increases.

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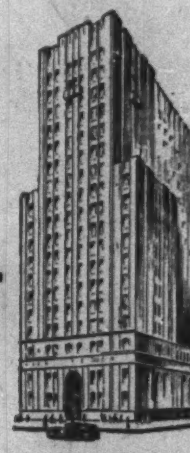

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CANADIAN INDUSTRIES LIMITED

HEADS NEW COMPANY

S. Bailey

Announcement has been made of the appointment of Mr. S. Bailey as manager of the newly formed company, Central Metals Limited, Hamilton, Ont. This company has been formed to provide warehouse and processing services for steel and non-ferrous metals, also certain building products.

Mr. Bailey is well known in the sheet metal and construction industry. Prior to this appointment he was associated with Eastern Steel Products Limited at Preston and Toronto, Ontario.

*

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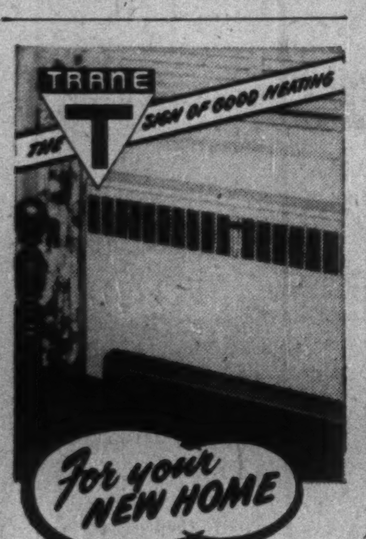

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Tax Resolutions: The Full Text

Sales and Excise Taxes

Following are the texts of the resolutions on tax changes:

That the following excise taxes be repealed, namely, the excise taxes on:

(a) soft drinks; (b) chocolate, candy, and confectionery; (c) chewing gum; (d) cable, telegraph, and telephone messages, and on telephone extensions; (e) transportation tickets or rights of transportation, and on seats, berths, or other sleeping accommodation; (f) motor buses; and (g) carbonic acid gas.

That the retail purchase tax be repealed and replaced by an excise tax of 10%, payable by the manufacturer or importer, on all articles now subject to the retail purchase tax.

That the following excise taxes be reduced from 35% to 10%, namely, the excise taxes on:

(a) trunks, suitcases, bags, and luggage of all kinds; (b) ash trays, tobacco pipes, and smokers' accessories; and (c) fountain pens, propelling pencils, and desk accessories.

That the following excise taxes be reduced from 25% to 10%, namely, the excise taxes on (a) toilet articles; (b) devices commonly or commercially known as lighters; and (c) coin, disc, or token operated machines and vending machines.

That the sales tax on the following articles be repealed: lactose; malt syrup except when sold for beverage purposes; Diesel-powered self-propelled trucks, mounted on rubber tired wheels, for off-highway use exclusively at mines or quarries, and complete parts thereof.

That the rates of excise tax on matches be amended from the present specific proportionate rate of tax on each package, to an ad valorem tax of 10%.

That the present specific tax of 5c per lb. on tires and tubes be amended to an ad valorem tax of 10%.

(These changes to be effective on and after March 23, 1949).

Personal Income Tax

That, for the 1949 and subsequent taxation years, the following shall be the exemptions from individual income tax:

(a) $2,000 in the case of a married person and persons allowed a deduction equivalent to that of a married person and $1,000 in the case of all other persons; and

(b) $400 in the case of dependents not eligible for family allowances, $150 in the case of children eligible for family allowances.

That, for the 1949 and subsequent taxation years, the schedule of graduated rates for individual income tax be replaced by the following schedule:

On the first $1,000 of income or any portion thereof, 15% per annum; or

$150 upon the income of $1,000; and 17% upon the amount by which the income exceeds $1,000 and does not exceed $2,000; or

$320 upon the income of $2,000; and 19% upon the amount by which the income exceeds $2,000 and does not exceed $4,000; or

$700 upon the income of $4,000; and 22% upon the amount by which the income exceeds $4,000 and does not exceed $6,000; or

$1,140 upon the income of $6,000; and 26% upon the amount by which the income exceeds $6,000 and does not exceed $8,000; or

$1,660 upon the income of $8,000; and 30% upon the amount by which the income exceeds $8,000 and does not exceed $10,000; or

$2,260 upon the income of $10,000; and 35% upon the amount by which the income exceeds $10,000 and does not exceed $12,000; or

$2,960 upon the income of $12,000; and 40% upon the amount by which the income exceeds $12,000 and does not exceed $15,000; or

$4,160 upon the income of $15,000; and 45% upon the amount by which the income exceeds $15,000 and does not exceed $25,000; or

$8,660 upon the income of $25,000; and 50% upon the amount by which the income exceeds $25,000 and does not exceed $40,000; or

$16,160 upon the income of $40,000; and 55% upon the amount by which the income exceeds $40,000 and does not exceed $60,000; or

$27,160 upon the income of $60,000; and 60% upon the amount by which the income exceeds $60,000 and does not exceed $90,000; or

$45,160 upon the income of $90,000; and 65% upon the amount by which the income exceeds $90,000 and does not exceed $125,000; or

$67,910 upon the income of $125,000; and 70% upon the amount by which the income exceeds $125,000 and does not exceed $225,000; or

$137,910 upon the income of $225,000; and 75% upon the amount by which the income exceeds $225,000 and does not exceed $400,000; or

$269,160 upon the income of $400,000; and 80% upon the amount by which the income exceeds $400,000.

That, for the 1949 and subsequent taxation years, there may be deducted from tax payable by an individual resident in Canada 10% of the amount of his income that is from dividends on shares, having no preference of any kind, in a corporation resident in Canada that was liable to corporation tax in the taxation year: provided that in the case of dividends deemed to have been received from a personal corporation the deduction shall only be 10% of that part of the income deemed to have been received by the shareholder as a dividend that the income of the corporation derived from dividends is of the whole income of the corporation.

That, for the purpose of computing income of the 1948 and subsequent taxation years of a member of the clergy or of a religious order or a regular minister of a religious denomination there may be deducted the value of the residence or other living accommodation enjoyed by him as such member or minister to the extent that it would otherwise be included in his income or the rent paid by him for or the fair rental value of such a residence or living accommodation.

That, for the 1949 and subsequent taxation years, the exemption from income of an individual in respect of a spouse supported by him shall not be reduced because of exempt income of the spouse.

That, for the 1949 and subsequent taxation years, all amounts whether in the form of lump sums or otherwise, received by employees from their employers, whether before, during or after their employment, shall be included in computing income of the employee unless it is established that they cannot reasonably be regarded as consideration for entry into the employment, remuneration for services or consideration for restrictions on the activities of the employee.

That, for the 1949 and subsequent taxation years, payments made for a wheel chair may be included in the medical expenses for which a deduction from income may be made for the purpose of computing taxable income.

That, for the 1949 and subsequent taxation years, $500 may be deducted from income for the purpose of computing taxable income of a taxpayer who, throughout the whole of the taxation year, was necessarily confined by reason of illness, injury or affliction to a bed or wheel chair.

That tax concessions under Statutes of Newfoundland shall not apply in respect of taxes imposed by any Act of the Parliament of Canada.

ROBERT MITCHELL CO. 1948 net profit was up 18.3%. "It is gratifying again to be able to report that the company with its subsidiary, The Garth Co., have on hand a substantial volume of uncompleted orders and contracts for work to be performed during the ensuing year," President S. C. Holland states.

Contract with Ecko Products (Canada) Ltd., was terminated by mutual consent as of Jan. 1, 1949, and company has agreed to sell to Ecko at book values the various assets comprising inventories, machinery tools, etc., used in production of their goods. Company has also agreed to lease space in its premises to Ecko for their manufacturing operations. Sale price of assets was approximately $372,000.

The sum of $1,269,118 reported as excess profits taxes recoverable was paid in full by the Dominion Government and $131,062 was collected in respect of refundable portion of excess profits taxes, leaving a further sum receivable of $291,257, of which $221,957 becomes due within the first quarter of 1949.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$238,977	$229,336
Less: Deprec.	82,500	81,000
Prov. for inc. taxes	61,735	68,283
Net profit	94,742	80,053
Less: Dividends	72,400	......
Surplus for year	22,342	80,053
Earnings per Share and Dividend Record:		
Common	$1.31	$1.11
Paid	0.75+0.25	......

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & call loan	$348,513	$50,504
Accts., etc., rec.	941,903	935,897
Recov. EPT	......	1,269,118
Inventories	1,206,767	646,048
Total curr. assets	2,497,183	2,901,567
Misc. assets▲	465,365	681,139
Fixed assets	2,277,871	2,323,472
Total assets	5,240,419	5,906,178
Bank loan	......	620,000
Accts., taxes, etc., pay.	475,902	640,448
Total curr. liab.	475,902	1,260,448
Deprec. res.	1,627,113	1,575,693
Capital stock	1,064,400	1,064,400
Capital surplus	111,984	73,757
Surplus▲	1,961,020	1,931,880
▲Incl. ref. EPT	291,257	422,319
Working capital	2,021,281	1,641,119

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Corporation Tax

That, with respect to income of corporations earned on and after January 1, 1949, the present rate of tax of 30% shall be reduced to 10% on the first $10,000 of income and increased to 33% on income in excess of $10,000 with corresponding changes in the rates in the case of consolidations.

That interest on unpaid taxes on incomes of the 1948 and subsequent taxation years for which no assessments have been issued will cease to accrue twelve months after the date for filing the return in place of twenty months.

That, for the 1949 and subsequent taxation years, the business losses that may be deducted from income shall include losses sustained in the five years preceding and the year following the taxation year in the place of the three years preceding and the year following the taxation year.

Mines And Oils

That special deductions from income to taxpayers engaged in exploring or drilling for natural gas, oil or minerals be allowed for expenses incurred in the 1950, 1951 and 1952 operations on the same basis as for expenses in 1949 operations.

That special deductions from taxes to taxpayers engaged in exploring or drilling for oil for expenses incurred on deep-test oil wells be allowed for such expenses in 1950 operations on the same basis as for such expenses in 1949 operations.

That the provision for the exemption of income derived from a metalliferous or industrial mineral mine that came into production during the calendar years 1946 to 1949 inclusive during the period of 36 months after the mine came into production be extended to exempt income from such mines that come into production during the calendar years 1950, 1951 and 1952.

ABOUT YOUR TAXES By STUART THOM, LL.B.

Is Ottawa Side-Stepping Some Tough Tax Problems?

Let's approach the tax proposals in the budget from the point of view of what they don't include.

If the reductions in personal income tax are the most glittering prize, the approximate reply is that there is no suggestion that the tax administration proposes to withdraw from the principle that salary is taxable income without deductions for special conditions under which it may have been earned.

Its position would be stronger if there were not already special statutory consideration for traveling salesmen and transport workers.

The confirmation now given to deduction of the value of a clergyman's residence only serves to emphasize the lack of any power in the Minister to give relief where needed. An income tax not sufficiently elastic to provide for the many variations in the earning of a fixed salary is open to criticism no matter what reductions may be given in the general rates.

In the field of corporation tax, the "capital gains" tax on dividends from personal corporations will continue.

Under the Income War Tax Act, it was specifically provided that after all income had been taxed to the shareholders of such corporations, dividends paid out of capital would not be taxable. It is generally considered that the new act removed this concession.

In the report of the president to the shareholders of Canada Permanent Trust Co., just published, it was said that "the Minister of Finance has promised to bring in an amendment to restore the former basis." It is possible that the extension to personal corporations of the relief from double corporate taxation afforded by the new budget is regarded as a satisfactory alternative.

The statements made in the budget speech with regard to the regulations to be issued governing depreciation suggest that the Government has not yet made up its mind on a number of important matters. One thing is clear, however, and that is that the right to claim depreciation and depletion is not to be given back to the taxpayer, despite strong representations which have been made in this respect. Historically, the loss of this right followed the reverse suffered by the tax administration in the Pioneer Laundry case. The reply to requests that the deduction of depreciation be given statutory authority is that there is no intention of withdrawing the privilege. At the same time it is apparent that the Government is prepared to amend the conditions under which the privilege is enjoyed by changing the basis of depreciation from straight line to the diminishing balance method.

A somewhat related point is that Section 14 (2) respecting inventory valuation is not touched on. In the opinion of many qualified critics, it is regarded as an unwarranted fetter on business and accounting discretion.

The introduction of progressive corporation tax rates and of a provision for the deduction by shareholders in respect of taxed dividends are long awaited first steps towards meeting the problem of double corporate taxation.

At the same time, there are indications that the Minister may regard the shareholders' deductions as providing a gentle nudge to companies to pay out profits not required for the business. The Minister has made it clear however that nothing will be done this year to give relief to closely-held companies, although it may be possible to read into his comments an indication that the Government is not too far away from taking some action. It will be recalled that the pressure of undistributed profits has been relieved at about 10-year intervals, commencing in 1920.

From the viewpoint of many, the most conspicuous omission in the budget proposals is the absence of any reference to section 126 of the new Income Tax Act.

Although the minister admitted that "Many businesses have been driven into a great variety of extremely complicated and cumbersome devices to secure legal avoidance of the excessive tax burden," he gave no indication of any intention to curb the powers of the tax administration to set aside transactions which they considered to be improper avoidance. It is perhaps not going too far to say that Section 126 is a firmly established feature of the Canadian Income tax structure.

Many Ideas In This House Of Aluminum

An idea!

Forty-five thousand dollars spent or committed to develop and advertise it.

Months of teamwork by (a) a national consumer publication; (b) a top rank department store chain; (c) a major manufacturer.

That's the three-group, three-way formula for merchandising which this week added up as Canada's biggest promotion of a post-war housebuilding material.

The material: aluminum.

The ideamaker: Canadian Homes & Gardens (Maclean-Hunter).

The showman: The T. Eaton Company Ltd., Toronto.

Technicians: Aluminum Co. of Canada and some of the fabricators it supplies, including Cresswell-Pomeroy and Weatherstone Windows.

The product: A full-size three-bedroom basementless house built inside a store, with outside walls, roof, window and door frames made of new, strong structural alloys of the "light, white" metal.

It uses aluminum as structural finish more than ever before in Canadian housing. It boasts more "hidden" storage space than can be found in two ordinary small houses.

House design, worked out for Alcan by Montreal architects Fetherstonhaugh, Durnford, Bolton & Chadwick from basic ideas by Canadian Homes & Gardens, has been approved by Ottawa's Central Mortgage & Housing Corp., for financing under the National Housing Act. Stock plans are being offered to all comers at $10 by CMHC offices across Canada and, for the moment, by Eaton's.

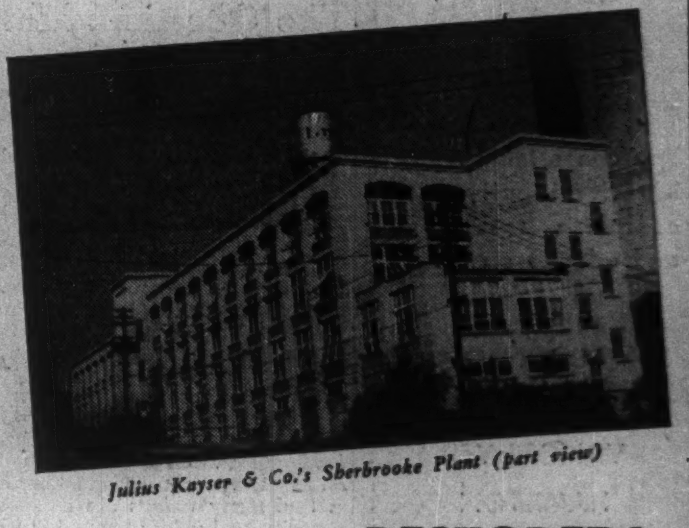
House is framed conventionally of 2 in. x 4 in. lumber. Aluminum is "specified only where use-test has shown it practical and economical." There are three bedrooms—one designed for alternate use as a den—a roomy kitchen, a unique "twin-plumbing" set-up pairing bathtub and washbasin on one side with toilet and basin in a separate room right next door. Living room has dinette space "partitioned" by a decorative slat blind.

Furnace room in the basementless house is dead centre, surmounted by a ventilation cupola outside at roof peak, which several architects attending the show called an effective departure from orthodox design.

An enclosed, connecting "breezeway" ties in the aluminum-door garage, broadens frontage of the otherwise square house by about 20 ft.

Architects estimate this house, built on a concrete slab laid flat on unexcavated ground, can be duplicated in most parts of Canada for about $10,500 plus cost of land, or under $13,000 altogether.

APPEARANCE



Julius Kayser & Co.'s Sherbrooke Plant (part view)

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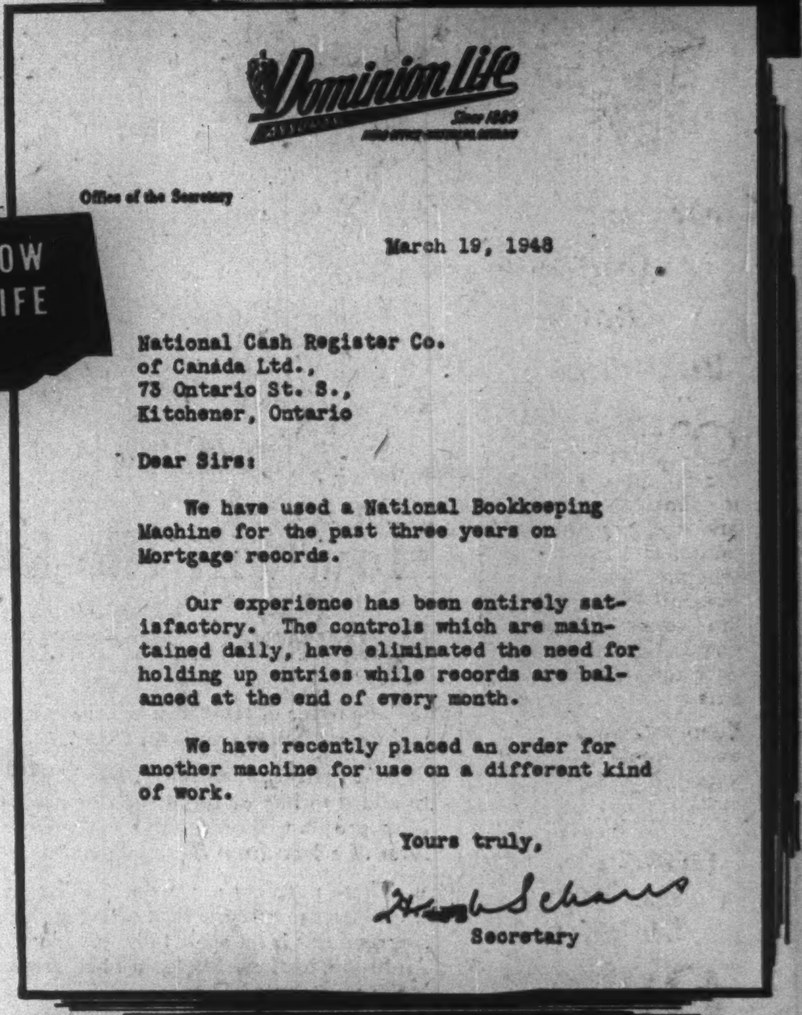

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Office of the Secretary

March 19, 1948

National Cash Register Co.
of Canada Ltd.,
73 Ontario St. S.,
Kitchener, Ontario

Dear Sirs:

We have used a National Bookkeeping Machine for the past three years on Mortgage records.

Our experience has been entirely satisfactory. The controls which are maintained daily, have eliminated the need for holding up entries while records are balanced at the end of every month.

We have recently placed an order for another machine for use on a different kind of work.

Yours truly,

Secretary

National
CASH REGISTERS - ADDING MACHINES
ACCOUNTING MACHINES

The National Cash Register Company of Canada Limited
Lansdowne and Dundas, Toronto, Ont.

☐ Have your representative call.

☐ Send me complete information on National Accounting Machines.

Name ....

Address ....

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

Help for Arthritics: For B.C.'s 45,000 sufferers from rheumatic and arthritic disorder, new and big-scale help is coming, Health Minister Pearson announced at Victoria. The program, eventually to cover all B.C., will include: (1) special centres at Victoria's St. Joseph and Jubilee hospitals, and one in each of the province's other medical districts; (2) special clinical services and hospital beds; (3) mobile units for treatment of patients unable to visit physicians or attend local centres; (4) educational program by B.C. Medical Association's advisory committee, including short courses for general practitioners. First part of the big scheme already is in operation at Vancouver general hospital—a "pilot" centre for diagnostic treatment and research.

Cocktail Lounges Out: There'll be no cocktail bars in B.C. for another year at least. The official word came as confirmation, rather than surprise when Attorney-General Wismer told the legislature the government plans no change in the liquor act at the present session. Drinking lounges, when they do come, probably will be tabbed "Wismer bars," he forecast gloomily. Mr. Wismer hinted the administration may propose a plebiscite on the liquor problem "at some future date."

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Alberta

Housing Nightmare: Edmonton's sudden oil riches aren't all gravy. Lured by the magic but sometimes misleading word "boomtown," an army of 10,000 migrant workers from B.C., Sask., Man. and the East is expected to invade the provincial capital starting a month hence. Some will bring families, raising the influx to maybe 20,000 persons. These forecasts emerged as highlight findings from a month-long survey of local economic conditions and outlook. Any such invasion might turn the city's "dull and orderly" boom into a minor nightmare because "housing will be available for none, and jobs for less than half," it was stated.

Oil Under City? Edmonton may form its own city-owned oil exploration and drilling company, to protect, possibly to exploit its large oil rights. Suggested name: City of Edmonton Mineral Rights Development Co. To advance the scheme, the city would apply to the legislature for a charter amendment. Corporation owns mineral rights on 75% of the 110,000 lots in the city, plus mineral rights on adjoining agricultural land. Move to form a civic company was spurred last week by James E. McGregor's application for rezoning of his quarter section to enable oil search.

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Saskatchewan

Queries $728,000 Spending: Should money from the provincial education fund be used for university building? When Saskatchewan capital works accounts were tabled last week, Liberal J. G. Egnatoff (Melfort) asked why an item of $728,114 stood against University of Saskatchewan buildings, chargeable to the education fund. Provincial Treasurer C. M. Fines said the government had legal authority, and no apology; that decision was made during the war to put part of the education fund into Victory bonds, part into capital projects. He said the CCF government "would rather see the money put into university buildings than lie in bank coffers at ¾ of 1% interest."

Unparliamentary Language?: For the second time this session, the legislature tangled in argument over what constitutes unparliamentary language. Dispute came up when Harry Gibbs (CCF, Swift Current), speaking on budget debate, took verbal pot shots across the floor at opposition leader Walter Tucker who, he said, was "good at squirming around." Mr. Tucker quickly got out his rule book, read an excerpt dealing with unparliamentary language and asked Speaker Tom Johnston to have Mr. Gibbs withdraw the remark. The Speaker disagreed, ruled Gibbs "quite in order."

• • •

Manitoba

Pensions Up: Legislature read into law a coalition government bill guaranteeing aged and blind pensioners a minimum income up $5 to $35 a month; turned down CCF demands for a bigger hike. Cheques in the new amount this week were being made out to qualified pensioners. The $5 increase is retroactive to March 1, payable to 25% of Manitoba's 17,000-odd aged and blind pensioners. Another 50% will get fractional increase, depending on outside income.

• • •

Ontario

"Take Strings Off"—Mayors: New system of grants to police and fire departments is reflection of government's wish to strengthen these service as a war defense preparedness measure. Attorney General Leslie Blackwell with that disclosure last week startled a delegation from Ontario Association of Mayors and Reeves and Ontario Municipal Association, which had made the Queen's Park trek to urge Premier Tom Kennedy's cabinet to take off "the strings" claimed attached to the grants. These grade with population; in the case of centres over 70,000 amount to 10% of current operating costs of each department. Half is due at once if a department has men protected under injury compensation and pension plans, other half once it gets an efficiency okay from Provincial Police Commissioner W. H. Stringer. But the mayors got their way. Mr. Blackwell this week withdrew conditions.

Separate Schools Complain: Liberal whip Aurele Chartrand in the legislature complained of government failure to fulfil pledges of then premier George Drew to hike grants to separate schools. Mr. Chartrand quoted newspaper reports that two Quebec Prog.-Cons. members of Commons had threatened to withdraw support of Mr. Drew, now federal opposition leader unless that promise is made good. On the much debated Royal Commission on education, he charged the commissioners "derelict in their duty by failing to hold meetings." After four years of deliberation, he said, the commission (headed by Mr. Justice Hope) "should be called the hopeless commission."

• • •

Quebec

Four Million "Bold Souls": With the exception of French-speaking Quebec, still strong in character because its people have decided "to be themselves," Canadians have become a "nation of copy-cats," President Will Bird of Canadian Authors association told an Ottawa club audience. He said all other Canadians "pathetically defer to foreign opinion, read foreign books and magazines more than their own, commonly stock household libraries with two or three Canadian volumes against three or four shelves of others."

• • •

New Brunswick

Talk Province Sales Tax: Despite disclaimer of cabinet members and Liberal backbenchers, rumor persisted in Fredericton political circles that a bill may be introduced before legislature prorogues enacting a 2% tax on gross retail sales. Local business sources said the rumor was based on recent suggestion from Fredericton, Moncton and Saint John that they be allowed to enter the sales tax field. There's plenty of opposition. One strong group—Saint John Retail Merchants' Association—last week in management committee passed a resolution strongly objecting to any such idea; said it would raise living cost, put a damaging nuisance levy on small items, stiffen buyer resistance at precisely the wrong moment, cut employment.

Seek Fish Support: Representatives of Maritimes fishing interests met in Moncton last week, talked recommendations to be made to Ottawa's fisheries prices support board for help in the current market depression. Without price support, the whole North Shore economy would be hard hit, several speakers warned. Many small fisheries in New Brunswick's Kent and Westmorland counties and scattered communities in P.E.I. and N.S. wouldn't open at all this year, it was said.

• • •

Nova Scotia

Manufacturers' Bandwagon: This was "Made in Nova Scotia Week." Manufacturers and storekeepers urged their fellows to "buy homemade" Provincial government contributed advertisements, window banners, showcards. Some trade circles complained preliminary publicity buildup had been "left until rather late in the day."

Bans "Baby Traffic": Legislature gave second reading to a bill outlawing "traffic" in babies between Nova Scotia and United States. It provides that the director of child welfare must investigate and approve homes to which adopted children are to be sent. Attorney General L. D. Currie recalled "a rather unsavory incident in trafficking in babies some years ago," said court action had been taken then but there was evidence the practice was continuing.

• • •

Prince Edward Is.

Spud Shipments Up: Seed potato shipment from the Island has gained sharply as compared with 1947-48 season. Shipments to March topped 2.7 million bushels, against under 2.2 million to that date last year. At end of March the potato price support program comes into effect. Under it, Ottawa will take over all seed potato stocks still in growers' bins, paying on basis of $1.15 a hundred pounds of Canada No. 1 stock. Those released for sale will be graded, packed and distributed at expense of grower, who will receive benefit of any subsequent price advance.

TANNERS Since 1844

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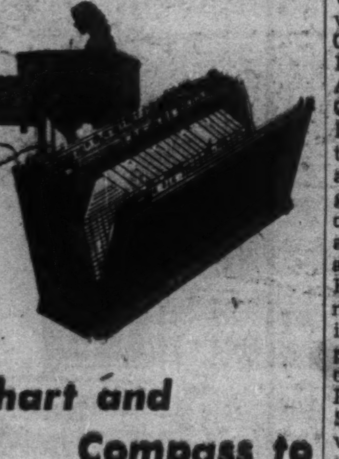
BEARDMORE & CO. LIMITED
TORONTO MONTREAL



VISIDEX

Chart and Compass to Better Business-Ship

OFFICE SPECIALTY VISIDEX Visible Record Equipment is designed to simplify and to most effectively control the functions of any business, whether large or small. Present conditions more than ever demand close checks on inventories, accounts, production and sales.

Keep your business on an even keel the VISIDEX way. Ask for full information.

• • •

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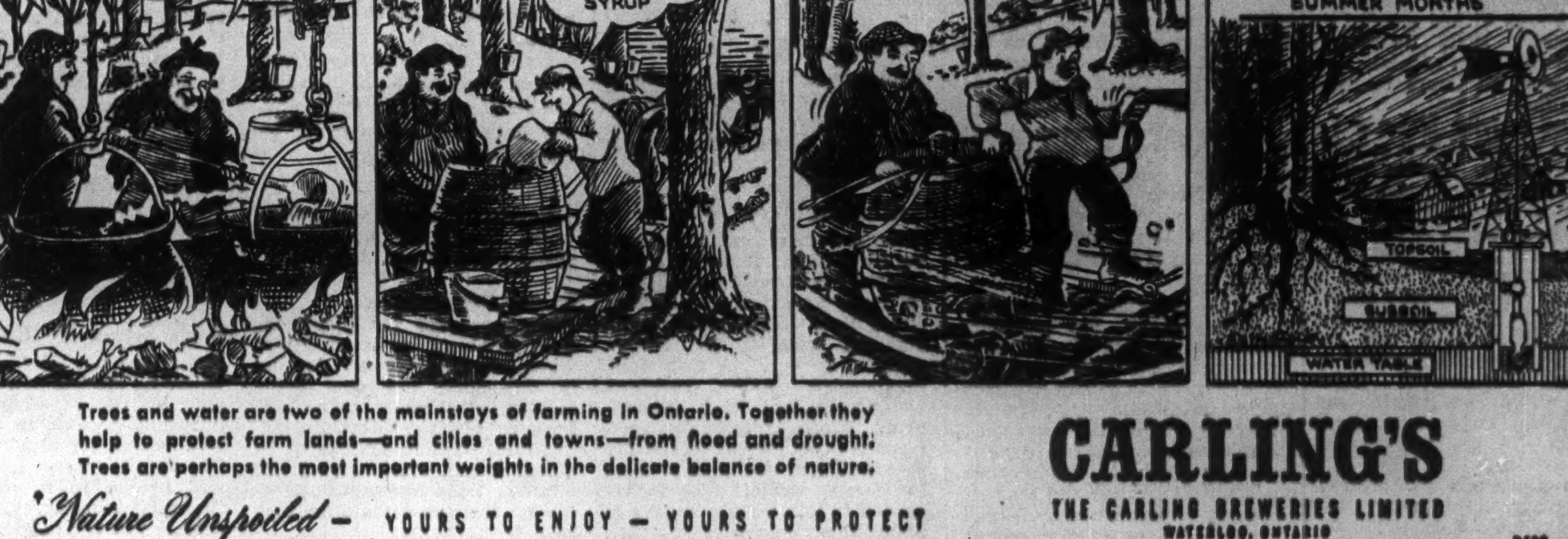
Branches in Principal Canadian Cities

CARLING'S CONSERVATION CORNER


I NEED THIS FORTY ACRES OF HARDWOOD FOR MY MILL, JOHN–NAME YOUR PRICE !!
I DON'T THINK IT'S FOR SALE, SAM–BUT SLIP AROUND TO THE BACK AN' TALK TO MY SON–HE'S THE NEW OWNER
SO YOU DON'T WANT TO SELL YOUR BUSH, EDGAR ?
OH GOLLY, NO, SAM–BUT I'LL HAVE SOME LOGS FOR YOU IN A COUPLE OF YEARS WHEN I TAKE OUT SOME OF THE MATURE TREES–THAT'LL PAY FOR AN EVAPORATOR FOR MY MAPLE SYRUP
Y'KNOW, EDGAR–YOU'VE GOT ONE OF THE FINEST STANDS OF TIMBER IN THIS COUNTY
THAT'S WHAT DAD TELLS ME, TOO, SAM–AND I GUESS IF I GIVE IT THE SAME CARE AS HE DID IT WILL CONTINUE TO PAY GOOD DIVIDENDS EACH YEAR
THE IMPORTANCE OF THE WOODLOT AS A SOURCE OF INCOME IS QUITE EVIDENT–BUT MORE IMPORTANT IS THE FOREST'S FUNCTION OF KEEPING THE SOIL POROUS, ALLOWING SPRING RAINS AND MELTED SNOW TO SOAK INTO THE SOIL TO SUPPLY WATER FOR SPRINGS, WELLS AND STREAMS DURING THE SCORCHING SUMMER MONTHS
TOPSOIL
SUBSOIL
WATER TABLE

Trees and water are two of the mainstays of farming in Ontario. Together they help to protect farm lands—and cities and towns—from flood and drought. Trees are perhaps the most important weights in the delicate balance of nature.

"Nature Unspoiled – YOURS TO ENJOY – YOURS TO PROTECT

CARLING'S
THE CARLING BREWERIES LIMITED
WATERLOO, ONTARIO

T 6 1945 CARLINGS D309

Metropolitan Reports to Policyholders on 1948 Business

HERE IS THE Financial Statement of the Metropolitan Life Insurance Company for last year. It is more than just figures, because back of them is the story of what 32,700,000 policyholders in Canada and the United States have done for their families and themselves.

The role of Metropolitan, like that of any Life insurance company, has been to help policyholders to make effective their individual plans for protection against the uncertainties of life. This Statement is a brief account of its stewardship.

The amount paid to policyholders and beneficiaries in 1948 was $721,366,364. Of this sum, $263,780,754 went to the beneficiaries of 235,000 policyholders; $147,045,672 to some 450,000 individuals for Matured Endowments and Annuities; and $59,403,238 for 650,000 claims for Disability and Accident & Health benefits. In addition, the total paid included sums for cash surrender values, dividends, and other payments due under outstanding policies.

The total payments by Metropolitan to policyholders and beneficiaries during the last 16 years aggregated $9,346,330,825 — a sum which has served as a stabilizing influence in homes and communities throughout this country and the United States. This total exceeds the Company's assets of $9,125,145,007 as of December 31, 1948.

These assets are held to meet obligations of $8,591,210,201, of which more than 90% represents statutory reserves for future payments to policyholders and beneficiaries. Over and above these obligations, there remained a surplus of $533,934,806, which is about 6% of obligations — a backlog which must be available against the possibility of epidemics, adverse economic conditions or other unforeseeable situations.

The Company's assets guarantee the fulfilment of the $39,958,517,854 of Metropolitan life insurance in force. In addition, they assure the payment of the 448,394 annuity and supplementary contracts outstanding, and the 6,546,412 policies or certificates providing benefits in event of either accident, sickness, hospitalization, surgical or medical expense.

A few other highlights of the Company's 1948 annual statement are: the net rate of interest earned on total assets reversed the trend of many years and increased from 2.94% in 1947 to 3.03%; in line with the experience of business generally, there were some increases in expenses; the rate of mortality was slightly lower than in 1947; the lapse rate was one of the best on record; and new Life insurance issued during the year was $2,904,157,071. The amount held for dividends payable to Metropolitan policyholders in 1949 totals $152,067,254.

Metropolitan investments continued in 1948 to serve various sections of Canada and the United States and the economy of both countries. The Company is interested in making loans, to either individuals or corporations, which meet the legal requirements with which it must comply.

A more complete review of the Company's affairs will be found in its Annual Report to Policyholders, which will be sent to anyone on request.

STATEMENT OF OBLIGATIONS AND ASSETS DECEMBER 31, 1948

OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS

Statutory Policy Reserves		$7,800,699,727.00
This amount, determined in accordance with legal requirements, together with future premiums and reserve interest, is necessary to assure payment of all future policy benefits.		
Policy Proceeds and Dividends Left with Company		485,882,414.00
Policy proceeds from death claims, matured endowments, and other payments, and dividends — left with Company by beneficiaries and policyholders to be returned in future years.		
Reserved for Dividends to Policyholders		152,067,254.00
Set aside for payment in 1949 to those policyholders eligible to receive them.		
Policy Claims Currently Outstanding		35,428,842.47
Claims in process of settlement, and estimated claims that have occurred but have not yet been reported.		
Other Policy Obligations		55,327,132.80
Premiums received in advance, reserves for mortality and morbidity fluctuations, reserve for continuing the program of equalization dividends on weekly premium policies, etc.		
Taxes Accrued		18,835,395.00
Including estimated amount of taxes payable in 1949 on the business of 1948.		
Contingency Reserve for Mortgage Loans		21,000,000.00
All Other Obligations		21,969,435.99
TOTAL OBLIGATIONS		$8,591,210,201.26
SURPLUS FUNDS		
Special Surplus Funds	$ 80,013,000.00	
Unassigned Funds (Surplus)	453,921,805.89	
TOTAL SURPLUS FUNDS		533,934,805.89
TOTAL OBLIGATIONS AND SURPLUS FUNDS		$9,125,145,007.15

ASSETS WHICH ASSURE FULFILMENT OF OBLIGATIONS

Government Securities		$3,389,262,335.35
U.S. Government	$3,133,829,569.00	
Canadian Government	255,432,766.35	
Other Bonds		3,562,208,170.57
Provincial and Municipal	$ 69,755,510.23	
Railroad	501,930,398.52	
Public Utility	1,152,792,757.79	
Industrial and Miscellaneous	1,722,176,660.28	
Bonds of the Company's Housing Development Corporations	115,552,843.75	
Stocks		112,252,333.58
All but $4,095,050.58 are Preferred or Guaranteed.		
Mortgage Loans on Real Estate		1,138,935,808.40
Mortgage Loans on City Properties	$1,045,046,270.06	
Mortgage Loans on Farms	93,889,538.34	
Loans on Policies		364,630,189.90
Made to policyholders on the security of their policies.		
Real Estate (after decrease by adjustment of $25,000,000 in the aggregate)		209,417,578.58
Housing projects and other real estate acquired for investment	$ 153,465,256.62	
Properties for Company use	34,716,517.77	
Acquired in satisfaction of mortgage indebtedness (of which $11,709,287.72 is under contract of sale)	46,235,804.19	
Cash and Bank Deposits		151,886,801.05
Premiums, Deferred and in Course of Collection		131,311,715.47
Accrued Interest, Rents, etc.		65,240,074.25
TOTAL ASSETS TO MEET OBLIGATIONS		$9,125,145,007.15

NOTE — Assets amounting to $438,451,141.96 are deposited with various public officials under requirements of law or regulatory authority.

SOME FACTS ABOUT METROPOLITAN'S OPERATIONS IN CANADA

These highlights of the Company's business in the Dominion during 1948, our 78th year in Canada, will be of particular interest to Metropolitan's Canadian policyholders and their beneficiaries.

Payments to Policyholders and Beneficiaries

Metropolitan paid in 1948 to its Canadian policyholders and their beneficiaries $38,815,091 in death claims, matured endowments, dividends and other payments. Of this, 70% was paid to living policyholders.

The total amount the Metropolitan has paid to Canadians since it entered Canada in 1872, plus the amount now invested in Canada, exceeds the total premiums received from Canadians by more than $352,000,000.

Life Insurance in Force

In 1948, Canadians bought $205,932,746 of new Life insurance protection in the Metropolitan, bringing the total of the Company's Life insurance in force in Canada to $2,241,526,648 at the year-end. This amount is made up of 57% Ordinary, 30% Industrial and 13% Group.

Total Investments in Canada

Metropolitan's total investments in Canada amounted to $536,741,420 at the end of 1948. The Company's dollars are at work throughout the Dominion . . . in practically every phase of production and distribution . . . helping to produce more goods and create more jobs for more people.

Health and Welfare Work

During 1948, a total of 222,687 nursing visits was made to those insured under Metropolitan Industrial, Intermediate, and Group policies in Canada; over 2 million pamphlets on health and safety were distributed; and the Company took part in 49 Canadian health campaigns.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
HOME OFFICE: NEW YORK
CANADIAN HEAD OFFICE: OTTAWA

METROPOLITAN LIFE INSURANCE CO.
Canadian Head Office, Ottawa.
Gentlemen:
Please send me a copy of your Annual Report to Policyholders for 1948.
NAME.............................
STREET.............................
CITY.......................PROV..............

NEWFOUNDLAND NEWSLETTER

Officials Work Full Steam Preparing for Nfld. Union

By RUPERT JACKSON

ST. JOHN'S—With union of Newfoundland and Canada at hand, activity here to have everything ready to meet the target date of March 31 has speeded up considerably. Both Newfoundland and Canadian officials here are working all hours to meet the deadline.

Greatest activity is being recorded in setting import controls and excise taxes. Mailing quotas to importers under Schedules II and III of the Emergency Exchange Conservation Act was expected to begin this week, and some federal sales tax licenses to manufacturers are already issued.

Newfoundland importers and wholesalers, however, are not over-eager to get embroiled in Canadian Government paper work, and applications for import quotas have been slow coming in. Things have speeded up considerably this week, but even so finance dept. officials feel they may have to set some quotas without a thorough check of previous imports in the base year (ending March 31, 1948) and revise them after the check has been made.

Same thing applies to sales tax licenses, although to a lesser extent. Some local manufacturers, slow getting their applications in, may not have their licenses by union day.

Another rough spot in union preparations is the setting of freight rates on the Newfoundland Railway, which will be taken over by the CNR. These were expected to be set sometime this week, however.

It is reported new freight rates will be somewhat cheaper than at present, but because this isn't definitely known Newfoundland importers are undecided how they will route Canadian goods ordered for immediate delivery after union, to fill up vacant space left by the curtailment of imports from Canada due to the lifting of tariff walls on union.

Fears have been expressed that the rush of piled up orders may cause some congestion if routed through North Sydney by rail, and may cause hangups in delivery. In turn there may be some shortages of basic consumer goods here.

Things are running smoothly on other points. For example: everything is just about ready for a quick switch from Newfoundland to Canadian customs tariffs on March 31st; family allowance registration has just about been completed; a department of veterans' affairs office has been established and staffed; necessary change-round of civil servants is being carried out at all speed; employers are being registered under the unemployment insurance act.

Soon an office of the Canadian Commercial Corp. will be set up here to make purchases for Canadian armed forces which will be stationed in Newfoundland after union. Head of the Newfoundland branch will be D. M. Erskine, with a Newfoundlander, yet to be named as assistant.

Some Newfoundland clothing and furniture manufacturers have already submitted tenders to the CCC to supply goods to the Canadian armed forces after union.

What's New

New Products, Applications, and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Plastic Laundry Bag

Moisture-proof, noninflammable laundry bag for transporting laundry to and from self-service laundries is offered by California company. Made of Vinylite plastic, 29 inches long by 23¼ inches wide, in white or blue.

* * *

Wallpaper Kit

Wallpaper tool kit manufactured by Chicago firm contains all tools necessary for paperhanging, plus illustrated, step-by-step instructions.

* * *

Insulation From Waste

New low cost insulating and building material produced by Quebec firm from waste materials such as sawdust, shavings, waste pulp, bark, straw, with portland cement as binder. Claimed to be light in weight, inexpensive, fire resistant, water repellent and vermin-proof. Process requires no costly special equipment and is expected to give commercial value to fibrous wastes hitherto regarded as total loss by mills and plants at which wastes originate.

* * *

Justifying Typewriter

Automatic justifying typewriter combines features of standard typewriter with new carbon paper and fabric ribbon attachment. Incorporates new built-in feature to provide an even right-hand margin on typewritten copy. Designed for use in preparation of bulletins, sales letters, portfolios, house magazines, office forms and similar original copy to be reproduced by any method of printing.

* * *

Plastic Swimming Pool

Swimming pool of Vinylite colored plastic, measuring 72 inches across, holds 170 gallons of water and is deep enough for youngsters to float in as well as wade. Pool folds into compact space when not in use.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

* * *

Home Dispensers

Pump sprayers for dispensing such products as hand lotion, wave set, glass cleaner, for use in the home are now being molded of Vinylite plastic. Sprayers claimed to be impervious to all liquids, unaffected by essential oils, long-wearing and durable. Soda fountain dispensers of the same material may soon be available.

* * *

Circular Slide Rule

Pocket-size circular slide rule made of Vinylite plastic rigid sheet is only 4¼ inches in diameter. Reverse side carries a circular decimal equivalent table.

* * *

Electric Outlet

New electric outlet for home appliances has three conductors enclosed in a narrow, metal housing that runs along the baseboard. Plugs have three, instead of usual two slots, spaced at 18 inch-intervals along strip. If appliance is plugged into top and centre slots it can be controlled from a wall switch—if into centre and bottom slots, control is by its own switch. Comes in 6-ft. lengths which can be adjusted by cutting off or adding sections. Outlet said to eliminate much behind-the-wall wiring and long extension cords.

* * *

Fabric For Auto Tops

New fabric for convertible auto tops comes in five standard sun-resistant colors. Has been developed by Indiana firm from Vinylite resins fused to cloth woven of Fiberglas yarns. Material is exceptionally strong, will not stretch or shrink, is nonabsorbent and washable in same manner as rest of car. Soot, oil, grease, mildew and other stains can be removed with soap and water from both outside and inside. Color can be retouched with matching Vinylite resin solution.

* * *

Neon Signs By Battery

Neon signs may now be installed where no electric power is available by use of adapter which makes it possible to use a 6-v. wet battery for a power source. Los Angeles maker says adapter will handle 25 ft. of neon or fluorescent tubing. Can also be used to put neon signs on delivery trucks or other vehicles.

* * *

Protective Hood

Vinyl plastic hood which protects workmen from acids and other corrosive chemicals has been developed by Pittsburgh company. Hood covers head, shoulders and chest, has replaceable plastic lens, air vents.

* * *

Nonexplosive Space-Heater

Nonexplosive space-heater has been developed by Rochester firm for use in places where gasoline, naphtha or natural gas are in the air. Heating element, a nickel-chrome resistor wire, is enclosed in a finned aluminum casting. Maker claims casting provides high thermal conductivity at low-operating temperatures, resists corrosion and deterioration. Heater is portable, can be installed in any position, operates on either 240 or 480 v., single or three phase.

* * *

Rapid Calculator

New all electronic digital computor, only one tenth the size of earlier models, is designed to take the guesswork out of new construction in such industrial fields as automobile, airplane, commercial equipment and machinery manufacture. Only five feet high, four feet long, and one foot wide, it is movable and is relatively economical to operate. Said to calculate 12,000 times as fast as a human being.

* * *

Microcrystalline Waxes

New microcrystalline waxes substantially improved with particular respect to toughness, adhesiveness and flexibility at low temperatures are designed especially for the paper and paper-converting industries. Low temperature flexibility makes them useful in applications such as frozen food packages and locker papers. Available in two color grades, amber and brown, they are produced by conventional procedures plus supplementary operations which remove paraffin type waxes and which yield more flexible and more adhesive microcrystalline films with no increase in oil content.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MINNESOTA & ONTARIO PAPER CO. 1948 net profit was up 3.6%. Net sales amounted to $52,559,070 compared with $48,996,712. While net sales were up, net income was substantially equivalent to that for 1947 mainly due to higher costs.

In company's expansion program initiated in 1945, aggregate expenditures as at end of 1948 were approximately $14.6 million, of which about $5.5 million was provided during 1948. It is expected present program requiring further expenditures of approximately $2.4 millions will be substantially completed in 1949.

The bleach plant now in final stage of construction, and the completed filtered water systems are being brought into operation. There has been no material change in the European assets of the company which consists of blocked deposit bank accounts in Finland and shares of Finnish banks and industrial companies, all carried on the company's books at $1.

The suit brought against the company by a group of minority stockholders of National Pole & Treating Co. presenting the issue whether a fair price was paid by the company for certain of the assets of National Pole & Treating is still pending with the expectation that it will be passed upon by the court during the year.

It appears that sources of wood supplies will be sufficient to meet anticipated requirements of both American and Canadian operations, taking into account Canadian governmental policy respecting export of wood. The company has continued to buy U.S. timber bearing fee lands as well as tax forfeited lands suitable for the growing timber. Important long-term timber cutting rights upon publicly owned lands in Minnesota were established during the year.

Volume of manufactured products of the company and its subsidiaries was: groundwood specialty papers 36,373 tons, kraft papers 24,146 tons, sulphite and kraft pulp (excess of own requirements) 17,400 tons, insulite 429,209,000 sq. ft., poles, ties and treating $2,177,276. Volume of Canadian operations was 171,660 tons, groundwood specialty papers 27,281 tons, sulphite pulp (in excess of own requirements) 883 tons.

The market for newsprint continued strong throughout the year, but there was evident, particularly in latter part of the year, some softening of the market for other products.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
	$	$
Net sales	52,559,070	48,996,712
Net earnings▲	10,106,762	10,748,695
Less: Bond int.	77,622	82,936
Conting. res.	200,000	400,000
Income taxes	3,863,400	4,512,400
Net profit	5,965,740	5,753,359
Less: Divds.	2,579,988	1,934,997
Surplus for year	3,385,752	3,818,362
▲After depr. & depl. of	1,983,360	1,696,354
Times All Interest Earned:		
Before depr. & depl.	155.76	150.06
After depr. & depl.	130.20	129.60
Earnings per Share and Dividend Record:		
Common†	$4.64	$4.46
Paid*	2.00	1.50

*U. S. funds.

†After contingency reserve; before, earned $4.77 per share in 1947 and $4.80 in 1948.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & invest.	$3,559,754	$7,227,271
Accts. rec.	3,412,051	3,781,145
Misc. curr. assets	192,705	276,539
Inventories	12,228,464	10,064,510
Total curr. assets	19,392,974	21,349,465
Misc. assets	878,552	795,277
Fixed assets*	37,911,381	33,917,543
Total assets	58,182,907	56,062,305
Accts. pay.	2,358,044	3,336,185
Taxes pay.	4,724,333	5,098,462
Other curr. liab.	1,336,138	1,252,166
Total curr. liab.	8,418,515	9,686,813
Funded debt	2,526,150	2,684,100
Misc. res.	......	114,892
Conting. res.	1,400,000	1,200,000
Capital stock	6,424,650	6,449,970
Paid-in surplus	21,627,324	21,526,014
Earned surplus	17,786,268	14,400,516
*After depr. & depl. of	17,879,989	16,186,374
Working capital	10,974,459	11,662,652

Call Builders' Tenders On Big Farm Pest Lab

Farm pest control research looked up when Ottawa's Public Works dept. last week called contractors' tenders until April 13 for construction of an $860,000 laboratory on the University of Western Ontario campus at London, Ont. Architects are Riddle & Connor. Emergence of the laboratory plans is one of the first major moves by the Dominion Dept. of Agriculture for correlation of government and university research against food raiding farm pests.

DUN & BRADSTREET reports:

ABOUT 60%

of the average dealer's customers

BUY WHAT THE DEALER RECOMMENDS

Over-all quality of the product appears to influence most dealers when making a recommendation to a customer.

And when dealers want authentic knowledge, they say they turn to their favorite trade publication for the information.

* * * * * *

The above is taken from a report of the Business Information Division of Dun & Bradstreet (who have more confidential information about dealers than anyone else). Their report also states:

"Ads carrying information on any phase of a new product are certain to command not only reader-interest but a reader following. *There is a decided preference for trade publications."*

The report includes suggestions on how to advertise more effectively to dealers. To see a copy, write or phone your Maclean-Hunter Merchandising Newspaper.

TO SELL MORE TELL YOUR DEALERS MORE!

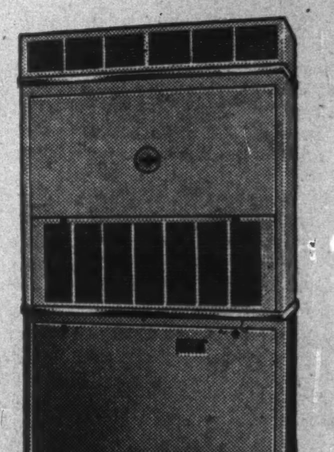
USE THE MACLEAN-HUNTER MERCHANDISING NEWSPAPER

In your field—It's the leader!

Hardware and Metal and Electrical Dealer
Canadian Grocer • Drug Merchandising
Canadian Stationer • Canadian Bookseller
Painting & Decorating Contractor • L'Epicier
Le Prix Courant • General Merchant
Men's Wear of Canada • Style

MACLEAN-HUNTER
Publishing Company Limited, Toronto—Montreal
(Merchandising Newspapers Division)

CHRYSLER AIRTEMP



"PACKAGED" AIR CONDITIONING
cuts down
"ABSENTEEISM"

Colds, sickness, headaches among your workers may be due to drafts, or stuffy, over-heated offices and work rooms. Cut down now on this wastage of money, time and health . . . install Chrysler Airtemp "Packaged" Air Conditioning. Then you and your employees will gain in comfort and efficiency with pure, filtered and healthful air, all year 'round!

Get the facts about healthful "packaged" air conditioning. Call your Chrysler Airtemp Dealer now.

Automatically Yours

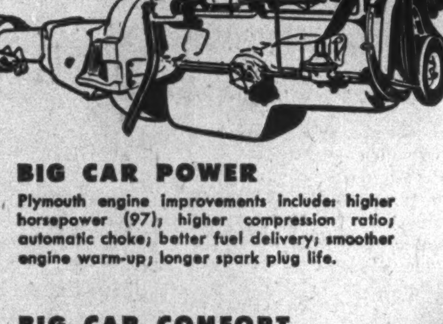
CHRYSLER AIRTEMP

HEATING
AIR CONDITIONING
COMMERCIAL
REFRIGERATION

IN CANADA
THERM-O-RITE PRODUCTS LIMITED
Montreal Trust Bldg. Toronto, Ontario

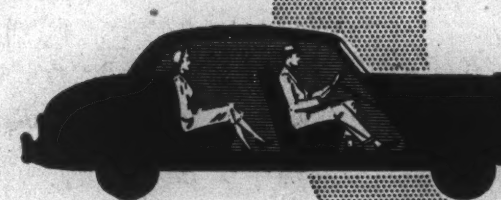
LOOK AT THE GREAT NEW *Plymouth!* AND COMPARE

PLYMOUTH SPECIAL DE LUXE FOUR-DOOR SEDAN
Including Special Equipment . . .*



BIG CAR POWER

Plymouth engine improvements include: higher horsepower (97); higher compression ratio; automatic choke; better fuel delivery; smoother engine warm-up; longer spark plug life.

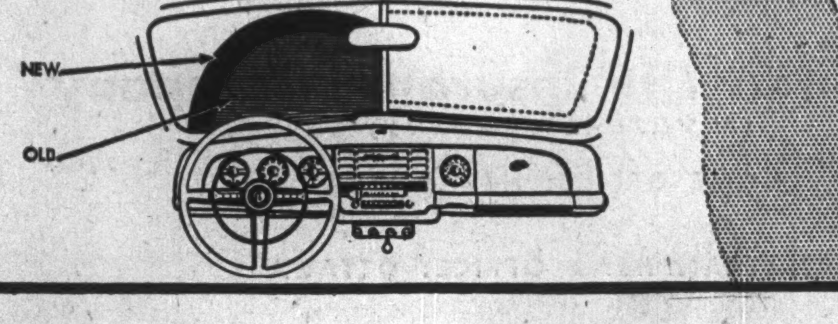


BIG CAR COMFORT

With longer wheelbase, better cradling of passengers, improved springing, chair-height seats and roomy interiors, Plymouth gives you "big car" comfort.

BIG CAR VISION

Increased vision for greater safety; 1/3 larger windshield; 1/3 larger rear window. More efficient windshield wipers with over 61% greater sweep.



COMPARE PLYMOUTH FOR STYLE... RIDE...ROOMY COMFORT... SIZE!

Compare the *new* Plymouth! You'll find its styling smart . . . and functional too! Plymouth styling allows ample head, leg and shoulder room in both front and rear seats. It provides wide-angle vision for greater safety. Its doors permit easy entrance and exit. Plymouth's stylish "bustle back" allows a spacious luggage compartment. Its fender openings permit easy servicing of tires and the quick application of chains, when necessary. Plymouth's functional styling retains fenders, so that with Plymouth a minor scrape does not mean a *major* repair.

Compare the *new* Plymouth for comfort! Plymouth's body is more dust-proof and is rust-proofed for a longer, *brighter* life. Its longer, 118½" wheelbase allows passengers to be seated even farther ahead of the rear axle, for greater comfort. Note Plymouth's roomy interior . . . its rich, Fashion-Tone upholstery . . . its comfortable chair-height seats. Try them! Lounge back and s-t-r-e-t-c-h . . . you'll like their comfort.

Compare the *new* Plymouth's ride! Better insulation and softer rubber body mountings minimize road noises. Its soft-acting coil front springs, airplane-type shock absorbers and low-pressure, Super Cushion tires all contribute to its incredibly smooth, relaxing ride.

Compare Plymouth! . . . outside, inside and under the hood! When you do, you'll agree that PLYMOUTH brings you more of the things you *really* want in an automobile.

*Rear Fender Stone Shields and Whitewall Tires

The Financial Post

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This Was 'The Impossible'—But First of BOAC's Canadairs Is Ready 2 Months Ahead of Time

Marshall Plan Boomerangs

World Trade Drying Up Before Our Eyes, Grave Trouble Ahead For Canada as Britain, Soft-Currency Nations Draw Closer Together In Barter Deals Which Slam Door on Canada, U. S.

By KENNETH R. WILSON

OTTAWA (Staff)—In the capital cities of Canada and the United States, small groups of men are gripped with a new and chilling fear.

The harsh facts of economics are splitting the democratic world into two. As the United States, Canada and their Western European partners move closer together politically in the contract of the North Atlantic Pact, there is an ever-widening economic gulf separating America and Western Europe, creating new perils and problems.

These two worlds are the dollar world led by the U. S. and the soft currency world led by Britain.

Russia has her iron curtain splitting the western world, blocking commerce and creating new political problems.

But the currency curtain rising between America and her allies over the Atlantic is equally serious now and portentous for the future.

Paradoxically, this dilemma is created indirectly by the United States' magnificent Marshall Plan.

The Marshall Plan was to do two things:

(a) give Europe relief regardless of the fact that Europe didn't have enough dollar currency to pay for it;

(b) help the countries over the Atlantic get their financial and trade affairs in order, to put them and the whole democratic world back on its feet by letting international trade resume its traditional flow and to restore conditions which would again make sterling and dollars freely convertible.

How Crisis Shapes Up

It's on the second point that things are going wrong, dangerously and desperately wrong.

How?

Very properly, Marshall aid demanded European self-help. "We'll help" said Uncle Sam "but you've got to do things and pursue policies which will get you back on your feet."

And, for one thing, this meant that Britain and Western Europe must handle their affairs so that by 1952 their dollar deficit problem would be licked.

So the friends across the Atlantic have been encouraged if not indeed coerced, into minimizing their purchases for dollars and into increasing trade with each other.

They're doing so well at enlarging trade among themselves and their respective empires that they've built a picket fence around themselves; pulled down a currency curtain over the Atlantic.

The danger is that, by 1952 when the Marshall Plan is supposed to end, the division will be so sharp and so deep-rooted that the dollar and sterling worlds won't get together again for decades. And that's good news only for Russia.

Really frightening, especially for Canada which has such a gigantic stake in the restoration of multilateralism and convertibility, is the growing threat that the picket fence around the soft currency world is being strengthened and heightened.

The Schact Plan Again

Between themselves the Marshall aid countries have made nearly 300 bilateral barter deals for the exchange of each other's goods.

In most cases, those deals are at prices considerably higher than the prices at which similar goods could be bought in the dollar world if they had the dollars.

This network of high-priced arrangements has at least three serious results:

1. It raises costs within the nondollar area.
2. It cuts off supply which might otherwise be available to dollar countries, thus in turn reducing their dollar earning-power.
3. It inevitably involves the perpetuation of controls, licensing, embargoes and other restrictions.

Where Please?

Speaking to a group of Vancouver businessmen last week, Graham Towers, governor of the Bank of Canada, said:

"These deals in their modern pattern are not normally operated on the basis of bartering one commodity for another. It is customary to name a number of things which one country will sell to the other. In some cases, target figures are set, both in respect of quantities of specific articles and the over-all value of trade which it is hoped will be done. The actual results, however, depend in the main on purchases and sales through normal commercial channels, except in the case of the totalitarian states.

"But the vital feature of these arrangements is that the parties to them, by restricting or even prohibiting importations from other countries—or at least from countries outside the group—make it more likely that they will achieve the targets set for trade between each other. The element of outside competition is removed or lessened. Price and quality are no longer the final determinants of the course of trade. The policies followed are such as to make classical economists turn in their graves.

"Importers in the countries concerned buy from nondollar countries, even when they have to pay higher prices, because they are not allowed access to cheaper sources of supply, or that access is strictly limited as to quantity. Conversely, exporters can often get higher prices by exporting to others in the group than by exporting to dollar countries. The effect of trade within the protected area taking place at higher prices means that the normal tests of competitive capacity are suspended. This inevitably tends to distort the normal channels of trade, and may very well impair the true productivity of the countries forming the area, as well as their competitive ability to earn dollars. The division of the western world into two trading blocs has possible political and economic consequences which are not pleasant to contemplate."

Here Are Examples

Governor Towers in a report for Parliament said:

"Canadian trade has already been adversely affected by the creation of this protected currency and trading area and it is not possible at this moment to foresee how serious these developments will be from our point of view during the next few years."

Here are some examples:

Cottons: British yarn prices at Liverpool are currently 20% to 30% higher than those reported at New York.

Fertilizer: Prices being quoted in sterling area markets are $20 a ton above comparable Canadian quotations. Canada loses the business because countries behind the picket fence can't afford dollars. In turn their costs are boosted by at least a third on this item, thus further postponing the day when they can again sell competitively.

Steel Products: New Zealand is reported having to pay three times Canadian prices for essential steel items for building, etc. Shortage of dollars forces them to pay higher sterling prices thus boosting costs and making it harder for them to earn dollars by marketing their goods in North America.

Hides: Britain reported paying 32 to 34c a pound in sterling for Argentine hides, against a U. S. price of 24c.

Fats and Oils: Canada is being forced to buy U. S. oils because of exorbitant premium on nondollar supplies. Sterling prices quoted at 20 and 24c a pound against 14 and 16c in U. S. The price of Norwegian tallow was recently quoted at 20c against nine cents U. S.

Calfskins: Britain is reported buying almost half the New Zealand output of calfskins at 30% over the New York market. Again, this creates an artificially high price structure in the sterling area and robs New Zealand of the chance to earn dollars in North America.

Newsprint: Australia, which used to be Canada's third largest outlet for newsprint, is now required to buy Scandinavian products at a price $60 to $70 a ton above comparable Canadian prices.

Coffee: Two thirds of Canadian supply came from sterling area sources before the war. Now only a trickle is being bought, due largely to price differentials in favor of dollar area coffees.

It is not easy to document many of the serious and alarming items which go to make this disturbing "two worlds" trade picture.

Great Britain herself has nearly 40 individual bilateral or financial arrangements with other countries, almost without exception with countries outside the dollar world.

The total number of such special arrangements, many of them out-and-out barter deals, now exceeds 275.

As well, many of the glaring differences are only now beginning to appear as North America gets into a surplus position on many items formerly in world-wide short supply.

This is the nub of the problem: In the basic commodities which make up perhaps four fifths of world trade, the nondollar countries now find themselves on a price plateau far above the competitive range of dollar country prices. Once these higher raw material costs find their way into production and living costs, the price differential will increase, not lessen.

(Continued on page 22)

How the Picket Fence Is Going Up Around the Non-Dollar World

How much of world trade is now tied up in barter and bilateral deals? Here's a breakdown by principal countries involved in the estimated 275 such pacts now in force:

COUNTRY	NO. OF PACTS	WITH WHOM*
1. United Kingdom	38	All Dominions; all Europe (except Albania, Rumania); Turkey, Burma, Israel, Japan, Argentine, Brazil, Chile, India, Pakistan.
2. France	29	All Europe (except Albania); Argentine, Brazil, Chile, Uruguay, Egypt, Turkey.
3. Czechoslovakia	28	All Europe (except Eire, Portugal, Spain, Yugoslavia); Argentine, Brazil, Uruguay, Venezuela, Australia, Egypt, Turkey, Pakistan.
4. Netherlands	27	All Europe (except Albania, Greece); Argentine, Uruguay, Israel.
5. Sweden	26	All Europe (except Albania, Eire, Iceland, Portugal, Rumania); Argentine, Colombia, Australia, Iran, Turkey, Israel.
6. Belgium	24	All Europe (except Albania, Bulgaria, Eire, Iceland, Italy, Spain); Argentine, Brazil, Uruguay, Turkey.

The Key Men Of Canadair

H. OLIVER WEST

T. J. EMMERT

ROBERT A. NEALE

How Canadian Aviation Men Confounded 'The Experts'

BY HOWARD GAMBLE

Most of the experts said it would not be done. But when Canadair Ltd. President H. Oliver West delivers the Canadair 4 plane to British Overseas Airways Corp. next week they will know that it has been done. Canada has come through on the postwar production front. Instead of excuses for delays Canadair has bettered its own contract promise on delivery by two months.

In six months Canadair men and women have converted plans, specifications, materials, and manhours into an aircraft due to reach London airport Monday next. This is the first of the $21.5 millions BOAC order for 22 aircraft and the $3.5 millions Canadian Pacific Air Lines contract for four planes (another 15-20% of the dollar cost of aircraft goes into spare parts).

Into these planes have gone more than $10 millions worth of materials alone, plus thousands of manhours of work. Three countries Canada, United Kingdom, United States supplied parts for the aircraft and putting the parts together was a task which called for co-operative efforts and close liaison at virtually every stage.

Record of The Order

To appreciate the full significance of the Canadair effort it might be well to look at the record of the BOAC order.

Here is what happened: on July 24, 1948, the first letter of intent was signed and Canadair started negotiations for definitive contracts. On Sept. 30, 1948, definitive contracts were signed; contracts provided that the first of the 26 planes (22 BOAC, 4 CPA) should be delivered by May 30, 1949.

All planes to be delivered by Nov. 30, 1949.

With the first of the BOAC aircraft on the way, chances are that all 22 will be in England by September. And the speeded-up schedule will permit Canadair to deliver the four planes to CPA by July or August.

Naturally Canadair hopes its fast work will bring in new orders. Its production position now makes it possible to offer as many as 20 more planes for delivery in 1949.

By speedy delivery on its first major order Canadair has undoubtedly improved its competitive position in the industry. Until the Canadian company came through ahead of time on deliveries the subject of delivery schedules in the aircraft industry had been a standing joke.

Men With Know-How

One reason why Canadair more than made good on delivery dates is that it has the men who know how to build planes. Oliver West has been in the aircraft and aviation business since he started with Boeing Aircraft at Seattle at 21.

Vice-president T. J. Emmert and R. A. Neale are also ex-Boeing men. Emmert's background includes 12 years of aircraft experience ranging from factory operations through procurement and general administrative executive responsibilities. At Canadair, he is responsible for engineering, inspection and purchasing activities.

Robert A Neale is the man West counts on to keep production lines running smoothly; he is in charge of manufacturing. His background in the business goes back to early 1929. Since then he has operated Boeing's Vancouver plant and was under West in the production of 9,000 "Flying Fortresses" and "Superforts."

One of the factors which determined BOAC's decision to place the order in Canada was possibility of using a large proportion of U. K. materials in the aircraft construction, thus cutting down on dollar expenditures. As it worked out, 48% of the material in the planes came from U. K. sources, 37% Canada and 15% U. S.

This effort to put as much U. K. content as possible into the planes involved some risk, as Canadair men are ready to admit. But just as readily they say the results indicate the risk was worth taking.

At one time the Canadair schedule was moving ahead so fast that it had a plane on the final assembly line with no radio in it. The radio and electrical system used in the BOAC planes were brand new. In the case of radio equipment, BOAC let out its own contract to Marconi. The airframe electrical system had to be designed by Canadair to conform to the installation used, and the completed design for the electrical installation was not fully completed until Dec. 15. It was "bugs" like these that were prevented from becoming major hold-ups by close liaison between Canadair, BOAC and U. K. suppliers.

Four-Way Aluminum Deal

On this side of the Atlantic one of the interesting supply problems involved aluminum sheets used in vast quantities for these planes. To handle the Canadair requirements, Aluminum Co. of Can. rolling mill at Kingston, Ont. would have had to suspend all its other orders which, by the way, were heavy because of construction industry demands. To get over this hurdle Canadair officials worked out a four-way deal.

Canadair purchased 775,000 lb. of aluminum ingot from Alcan and sold it to the Kaiser-owned U. S. aluminum company, Permanente. The Kaiser rolling mill, however, is located in Washington state which meant high transportation costs if the ingot moved across the continent from Arvida in Quebec.

Upshot was that the ingot went to Aluminum Co. of America's New Jersey plant, Alcoa replaced it with a like amount of ingot from its plant in Washington and which it delivered to the Kaiser plant for rolling. Permanente made the sheets and got them to Canadair on schedule.

A number of reasons and explanations can be given for Canadair's rapid fire production but Neale thinks it was due to three primary factors: fast, accurate aviation engineering information, materials supply and delivery, and factory efficiency. And efficiency was the result of top-drawer supervision, exact tooling and the willingness of the workers to work.

Are You Afraid To Take Time Out, Relax?

Watch Health, Take Proper Vacations, If You'd Keep on Top

How's your health? Do you work too hard? Take enough exercise? Or not enough? And even more important, what are you doing about it?

Dr. F. M. Jones, chief medical officer, Canadian Industries Ltd., turned the spotlight on executive health recently when he discussed these questions and pointed out that business and industry had a big stake in the health of its executives. Here is a digest of his address:

By Dr. F. M. JONES

The executive class is afflicted with a group of occupational diseases.

It can be described as a well-fed, somewhat constipated group which has faulty habits of rest and recreation, and among whom the incidence of cardio-vascular disease, hypertension and peptic ulcer is relatively high.

Certain factors which affect the working life of this group distinguish it from most of those who do manual work. The hours of their working day are often undefined and their value to the company is measured in results obtained rather than in hours worked. They carry their jobs home with them at night, think about them when they should be asleep and take them out on the golf course when they play.

With many of them the tension is never eased. They are afraid to let down for fear someone else will hit the ball just a little harder and so achieve a more favorable spot in the race for promotion. Most of them are ambitious even to the point of sacrificing personal health on the altar of achievement. These factors then are at least contributory causes to the list of occupational ailments affecting this group.

Much has been done to regulate and improve the health of the payroll employee, but the men who make the plans and formulate policy have been largely left to their own devices. Only in recent years has industry realized what a stake it had in its executive class of employee, which contains the material from which presidents and vice-presidents are made. It would seem wise to conserve such men so that their abilities and experience may be utilized to their fullest extent and for as long as possible.

Since the executive has been so long neglected by industry, any sudden attention tends to make him suspicious. Some might even fear that discovery of health defects may prejudice their chances of promotion.

One of the goals toward which we must strive is to establish confidence and good will among this group. Once this has been done, the executive will come to us at the very first hint of mental or physical symtoms.

An industrial medical service has a unique opportunity to make an excellent contribution to employee relations. If this is true at the payroll level, how much more so is it true in the executive group. Moreover, a good job done here will demonstrate the value of the service.

Need For Health Education

The best means we have to promote health is the periodic physical examination. By this is not meant the mere laying on of a stethoscope and a slap on the back. A careless, hurried examination may create a false sense of security which may change to resentment when a more conscientious examiner discovers some condition, hitherto overlooked.

The examination itself should be complete. The laboratory side of the examination should at least include a chest X-ray, urinalysis, blood count, haemoglobin and a Wassermann. An electrocardiogram should be obtained on employees over 35 as well as on those who have cardio-vascular defects. Should any system reveal the existence of pathology, special tests are indicated such as a barium series or basal metabolism as the case may require. Where necessary, these people should be sent to a specialist in the system at fault.

When the annual medical investigation has been carefully completed and the findings thoroughly explained to the examinee's satisfaction, we must develop a system of servicing. Those who reveal evidence of health defects should be convinced by fair means or foul that correctable defects must be cared for.

There will be the procrastinators, the cowardly and the uninterested but each should be pursued with aggressive persistence until all practical action is taken.

Now that we have examined this group, let us consider their health habits and ailments and what can we do about keeping them on the job?

At the time of the executive's annual examination, a golden opportunity is presented for health education. If his belly aches, his auditory and cerebral reception are all the more acute. If he is already in good health, the time is still opportune to tell him how he can be reasonably capable of staying that way.

It is amazing to discover the number of executives who don't know how to play. Too often they toil desperately through long gruelling hours in a gymnasium. When they play golf or bridge, much of the recreational benefit is lost by the tension induced by playing for stakes.

The tennis courts are full of men who are struggling manfully to prove that they are just as good as they were in 1935.

The type which goes in for spectator sports exclusively get stimulation, excitement and tension while the gladiators perform before them. These people should be taught that they should actually **do** something for recreation, whether it be gardening, mowing the lawn, playing golf, hiking, skating or swimming—anything that calls for active participation well within the limits of their physical capacity.

What About Vacations?

There are others who will have to learn how to slow down for, other things being equal, length of life is generally inversely proportional to the rate of living.

Those whose waistlines are well up in the 40's should realize that in the long run the race of life is to the thin, not to the fat, the fast or to the strong.

The value of a hobby is beyond question. To many people the mere fact of having a piece of wood in a vise, a stamp collection or a plant in the garden, something which is absolutely theirs to destroy or bring to a thing of beauty or worth, is an escape of priceless value.

An executive may be properly fed, amused and rested, but if he is going to do really productive work in the year ahead he must have a vacation—a prolonged departure from usual routine and scene of action. Play and pleasure are stressed. All responsibilities are shed to permit restoration of mental and physical vigour.

How long should the vacation be? Usually, the first week is spent in learning how to relax; the second week the vacationer is as relaxed as the well-known rag, and the third week sees a return of the old zip and zing and an eagerness to return to his work. For the average executive under real pressure, this cycle takes at least three weeks.

Occasionally the industrial physician is asked to comment on the individual who thinks he needs no vacation. He says his work is play to him. If reasoning fails, senior management should step in and send him off without delay.

A properly conducted vacation is not in itself sufficient. It should be supplemented by the reasonably frequent long week end and by the occasional short vacation trip, especially in the senior group.

Is the man suited for the job and the volume of work? This involves a study not only of the man but also of the job itself. Here, a medical opinion may prove useful and help to bring needed action.

Every executive from time to time should analyze his job. How much energy is he wasting on work that could be just as well done—perhaps better—by an assistant! Many a man would be shocked if you asked him if he typed his own letters. Yet every day he performs many minor tasks which, if delegated to a junior, would pay a twofold dividend. Not only would he have more time and energy for the essentials of his work, but he would greatly please the assistant with the added responsibility.

Apr. Dividends $25.9 Millions

Dividends payable in April (as declared to March 18) amount to $25,899,471, as against $25,751,063 for the same month last year.

Payments increased in the industrial group but were off narrowly in the case of the mining, oil and financial companies. Payments of $21,780,738 will be made by 198 industrial companies as compared to the $21,295,910 paid out by 195 companies last April. Payment by 12 mining companies at $1,224,466 will be off narrowly from the $1,297,609 paid by nine companies last year. Nine oil companies will pay $1,311,165 as against the $1,471,905 paid by 11 companies in this group last April. Payments by 28 financial institutions will amount to $1,583,102; last April 32 companies paid $1,682,337.

Dividends paid and declared to date for the first four months of 1949 show an 11.6% gain over the corresponding period of last year. Following is a list of payments for April, 1949, as compiled by The Financial Post from records now available.

Monthly Dividends

	1949 $	1948 $
January	58,506,490	53,238,358
February	14,115,642	12,895,875
March	51,861,572	42,908,114
April	25,899,471	25,751,063
Total	150,383,175	134,793,410

Beatty Bros. Plan 3-For-1 Split

A special general meeting of Beatty Bros. Ltd. shareholders will be held April 8, to consider plan to sub-divide company's capital stock on basis of three new shares for each share presently authorized and issued. There are 200,000 shares without nominal or par value authorized, of which 139,000 are issued.

On by-laws approval, company capitalization will consist of 600,000 shares no par, of which 417,000 will be issued and outstanding. It's understood volume of both sales and earnings since Aug. 28, 1948, end of previous fiscal year, have been at moderately higher rate than for corresponding period of preceding fiscal year, in which net profit was $1,138,976.

Industrials and Utilities

Company	Rate $	Date	Amount $
Abitibi P. & P. c.	.25	1	210,423
Do. $1.50 pfd.	37½q	1	423,277
Do., pr. pfd.	62½q	1	37,500
Acadia Atlantic A	25q	1	50,000
Acme Glove	25q	1	12,000
Amer. Cyan.	37½q	1	1,026,632
Do., 3½% pf.	†.87½q	1	342,191
Ashdown Hardware, A	15q	1	22,340
Auto Fabric A	15q+▲.20	1	8,750
Do., B	10q	1	10,000
Beatty Bros.	.75	1	104,250
Beaver Lumber A	25q	1	25,000
Do., $1.40 pfd.	35q	1	26,250
Belding Cort.	1.50q	1	11,242
Do., pfd.	1.75q	1	15,142
Belgium Glove	15q	1	7,500
Do., pref.	25q	1	11,242
Bell Telephone	50q	15	2,553,402
Biltmore Hats	10q	15	4,000
Do., A	25q	15	10,000
Brantford Cord.	12½q	15	10,000
Do., pfd.	32½q	15	10,000
Brazilian Tr., pfd.	1.50q	1	5,901
Bright, T. G.	25q	14	25,000
B. C. Elec. 4% pfd.	1.00q	1	120,000
Do. 4¾% pfd.	1.19q	1	59,500
B. C. Power, A	40q	15	400,000
Building Products	40	1	193,354
Burlington Steel	20	1	28,000
Burns A	30q	28	10,050
Do., B	30q	28	32,879
Can. Bread, 4½% pf.	1.12½q	1	20,250
Do., B pref.	62½q	1	16,625
Can. Cottons	70q+▲.50	1	166,212
Do., pref.	30q	1	49,578
Canada Dry	†.15q	1	346,046
Do. pfd.	†1.06¼q	1	53,707
Can. Flooring B.	15q	1	6,120
Canada Iron Found.	.40S	15	167,906
Do., 6% pf.	.30S	15	9,042
Can. Nor. Power	15q	25	60,000
Canada Packers, A	.75S	1	300,000
Do., B	.25S	1	200,000
Can. Varnish 5% pfd.	31¼q	1	31,250
Can. Brew.	50q	1	1,000,000
Can. Canners	21¼	1	43,031
Do. 1st pref.	25q+1.05	1	57,262
Do. 2nd pref.	15q+1.10	1	88,729
Can. Fairbanks pfd.	1.50q	14	16,893
Can. Food Prod.	18¾q	1	26,739
Do., A pfd.	25q	1	17,826
Do., 4½% pfd.	1.12½q	1	30,505
Can. Gen. Elec.	2.00q	1	277,600
Can. Ice Mach. A	20q	1	5,000
Can. Industries	17½	30	1,225,247
Do., pref.	1.75q	14	81,375
Can. Motor Lamp	▲.30	15	30,000
Can. Refrac. 4½% pf.	1.12½q	15	5,652
Can. Silk A	37½q	1	30,500
Can. West Lumber	10q	15	310,000
Can. Westinghouse	50q	1	226,732
Can. Wire Box A	37½q	1	19,043
Cassidy's	*.15	1	11,125
Do. pref.	1.75q	1	23,835
Celanese of Amer., 1st pfd.	†1.18¾q	1	415,625
Do., 7% 2nd pfd.	†1.75q	1	259,312
Circle Bar Knit, A	.50S	15	13,199
Comb. Enterprises, pf.	1.25q	15	9,687
Comm. Alcohols pf.	10q	15	5,000

April Dividends (Continued)

Company	Rate $	Date	Amount $
Consumers' Gas	2.00q	1	291,104
Cons. Press A	16¼q	1	16,250
Crain Ltd., R. L.	.10q	1	6,000
Dom. Dairies Pfd.	.43q	15	13,975
Dom. Foundries	.35q	1	159,329
Dominion Glass	.25q	15	53,125
Do., pref.	.35q	15	45,500
Dom. Tar & Chem.	.25q	1	37,500
Dom. Textile	15q+▲.25	1	1,020,750
Do., pref.	1.75q	16	33,900
Donnacona Paper	.50S	1	188,286
Donnell & Mudge A	.25q	1	6,338
Easy Washing	.25q	1	7,655
Estabrooks, pfd.	.20q	15	13,250
Fashion-Craft Pfd.	1.25q	1	200,000
Foundation Co.	35q+▲.50	21	71,910
Fraser Cos.	.50	25	371,017
Do. 4¾% pfd.	*1.33	1	66,500
Gatineau Power	.30q	1	498,784
Do., 5% pfd.	1.25q	1	152,450
Do., 5½% pfd.	1.37½q	1	48,125
Goodyear Tire	1.00	1	257,260
Gt. West Felt	.30	1	10,515
Do. pfd.	12½q	1	3,119
Greening Wire	.50q	1	28,500
Hamilton Bridge	12½q+▲.12½	1	61,462
Harding Carpets	.20q	1	46,241
Hendershot Paper	.25q	1	7,500
Do. 5% pf.	2.50S	1	6,625
Hinde & Dauch	.25q	1	75,000
Horner, Fr. W. A	12½q	1	7,055
Ing. Mach. & Tool, A	12½q	1	10,255
Do. 4% pfd.	1.00q	1	3,500
Inglis, John	.10q	1	25,000
Inter. Bronze pref.	37½q	15	37,500
Inter. Metal, A	.40q	1	75,324
Do., B	.40	1	20,000
Do., pfd.	1.12½q	1	42,772
Inter. Milling, pfd.	†1.00	1	53,500
Jam. Pub. Service	.25q	1	33,750
Do., pref.	1.75q	1	13,125
John Labatt	.25q	15	225,000
Journal Pub.	.20	15	20,000
Lang, J. A.	.25q	1	25,000
Lawson & Jones A	*.50S	1	50,000
Lewis Bros.	.25q	30	36,515
London Hosiery	15q+▲.10	1	20,000
Do., A	.20q	1	9,000
Lowney, W. M.	.25q	14	51,798
Mailman Corp.	.25	1	62,850
Manitoba Sugar 6% pfd	3.00	1	45,000
Maritime T. & T.	.20q	15	85,271
Do. 7% pfd.	17½q	15	19,506
Mersey Paper	.50	1	325,000
Do 4½% pfd.	1.12½q	1	42,187
Minn. & Ont. Paper	†.50q	30	672,272
Mitchell, J. S.	1.00	1	15,000
Mitchell, Robt.	▲.50	15	36,200
Modern Containers, A	.25q	2	6,250
Monarch Knit.	.25q	1	25,500
Do. 5% pfd.	1.12½q	1	5,625
Montreal Locomotive	.30q	1	210,000
Montreal Telegraph	‡.50q		25,000
Moore Corp.	.75q	1	350,014
Do., 4% pref.	.25q	1	35,000
Do., pref. A & B	●1.75q	1	25,342
National Breweries	.50q	1	360,686
Do., pref.	.44q	1	48,840
National Grocers	37½q	1	52,949
National Hosiery, A	.15q	1	12,298
Do., B	.30q	1	12,295
Nat. Steel Car	37½q	15	263,250
N. E. Elec. System	†.20	1	186,520
Niag. W. Weav.	.40q	1	46,000
N. S. Light & Pr., ord.	.25q	1	51,784
Ogilvie Flour, c.	.25q	1	150,000
Ont. Beauty Supply., p.	.25q	2	3,750
Ottawa Elec. Rly.	.25q	1	35,197
Ottawa L. H. & Pr.	.15q	1	21,000
Do., pref.	1.25q	1	21,250
Page-Hersey	.45	1	313,697
Power Corp., pref.	1.50q	15	75,000
Do., 2nd pref.	.75q	15	75,000
R. & M. Bearings A	.27	1	4,785
Renold-Cov. A	27q+▲.10	1	2,500
Renfrew Textiles, A	.15q	1	3,750
Riverside Silk, A	.50q	1	13,000
Do, B	1.00	1	20,000
Robertson, P. L.	.50q	1	30,300
Do., pref.	62½q	1	3,360
Saguenay Pr. 4¼% pf.	1.06q	1	51,165
Sangamo	12½q	2	22,851
Shawinigan 4% A pf.	.50q	1	200,000
Sher.-Williams, pfd.	1.75q	1	60,550
Silverwoods, A	.15q	1	74,910
Do., B	.10	1	42,693
Silverwood W. D., pfd.	1.25q	1	15,000
Slater, N. pfd.	.53q	15	6,360
Smith, H. Paper, c.	.50q	30	166,418
Do., pfd.	.50q	20	80,000
South. Can. Pr., pfd.	1.50q	15	106,333
Stand. Paving	.50	1	65,541
Do., pfd.	62½+.50	1	26,777
Stedman Bros.	.20q	1	81,433
Tamblyn	25q+▲.25	1	56,000
Do., pref.	.50q	1	5,000
Thrift Stores	.25q	1	12,840
Tip Top Canners, A.	.25q	1	5,842
Tip Top Tailors	.15q	1	18,000
Tooke Bros.	.10q	4	12,000
Toronto Iron	.15q	1	5,700
Do., A	.15q	1	12,840
Tuckett Tobacco, pf.	1.75q	15	35,000
Twin City R. 5% pf.	†.62½q	1	5,540
Verney Mills 4½% pf.	.57q	1	11,400
Viau	.25q	1	11,230
Do., 5% pref.	1.25q	1	11,825
Wabasso Cotton	.25q	1	87,379
Waterous, A	.20q	15	19,895
Western Breweries	.40q	16	97,914
Western Grocers, A	.50q	15	33,886
Do., pref.	.35q	15	20,900
West-Koot. Pwr. pf.	1.75q	1	8,750
Weston, Geo., c.	.25q	1	128,605
Willson Stat, pfd.	1.25q	15	5,000
Wilsil	.25q	1	33,925
Wool Combing	.40q	10	20,000
Total			21,780,738
Mining Companies			
Bralorne	.10	16	124,700
Gold. Man.	.05	1	150,000
Perron G. M.	.01	29	20,000
Preston E. Dome	.01½	14	45,000
Que. Man.	.02	1	58,880
San Antonio	.07S	15	169,162
Sheep Creek	.02	15	37,500
Springer Sturg.	.03q	5	64,140
Stadacona	.03	18	132,589
Sullivan	.04	25	160,000
Sylvanite Gold	.01½q	1	40,493
Wr.-Hargreaves	.04	1	220,000
Total			1,224,466
Oil Companies			
Anglo-Candn. Oil	.05	13	118,250
Brit. Amer. Oil	.25q	1	693,160
Do., 3¾% pref.	0.234375q	1	93,750
Calgary & Edmonton	.05S	16	125,765
Canadian Oil, 4% pfd.	1.00q	1	10,000
Do., 5% pfd.	1.25q	1	12,500
Do., 8% pfd.	2.00q	1	40,000
Foothills	12½S	1	182,750
North Star Oil, pf.	.06¼q+▲.06¼	1	35,000
Total			1,311,165
Financial			
Brit. Amer. Assur.	1.88	1	56,400
Brockville Trust	62½q	1	6,250
Can. Life	5.00q	1	50,000
Can. Gen. Invest.	2.00+▲.21	15	246,146
Can. Perm. Mtge.	2.00q	1	140,000
Can. For. Invest.	.75q	1	55,062
Central Can. Loan	2.00q	1	50,000
Chartered Trust	1.25q	1	12,500
Crown Trust	1.25q	1	12,500
Dominion Square	.50q	15	23,450
Economic Invest.	1.20S	1	48,000
Gr. Bt. & Can. Inv. 5% pfd.	5.50q	1	195,250
Gt. West Life	5.00q	1	50,000
Huron & E. Mtge.	1¼%	1	62,500
Invest. Found., pref.	.75q	15	20,703
Mtl. C. & D. Sav.	.35q	1	65,000
National Trust	.25q	1	65,000
Ont. Loan & Deb	1.25q	1	56,250
Sterling Trusts	1.50q	1	9,991
Sun Life Assur.	5.00q	1	100,000
Tor. Gen. Trusts	1.75q	1	52,500
Toronto Mortgage	1.25q	1	24,662
Traders Fin., A	.25	1	20,657
Do. B	.25	1	22,500
Do. 4½% pfd.	1.12q	1	30,375
Un. Fuel Inv. 6% A pf.	.75q	1	67,500
Victoria Trust	1.50q	1	11,562
Western Assur., c.	1.50	1	10,250
Total			1,583,102
Grand total			25,899,471

q—Quarterly. s—Semiannually. a—Annually. †Payable in N. Y. funds. *Initial. ▲Extra. ‡Net after deduct. C.I.T. §Participating div. ♦Eliminating arrears. ●Special.

HARPERS MALARTIC GOLD MINES, besides its interest in the Malartic camp, holds 10,000 shares of Teck-Hughes, a substantial holding in Canada Guiana Mines and 450,000 shares of Edgewater Porcupine Gold Mines.

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Would Smelt Labrador Ore On Shore of St. Lawrence

How can Canada best use extensive iron ore resources straddling the Quebec-Labrador boundary? Horace Freeman, originator of the Freeman powdered iron process, and president of Frobisher-sponsored Ferrum Ltd., has done considerable research on the subject, concludes that the logical location for any smelting and steel industry is some point on the St. Lawrence below Montreal.

In a letter to The Financial Post, published below, Mr. Freeman outlines his ideas in detail. Deductions and conclusions, of course, are those of Mr. Freeman and not The Financial Post; we believe, however, that they form an interesting basis for further discussion of this important subject.

BY HORACE FREEMAN
President, Ferrum Limited

CAP DE LA MADELEINE, QUE.—Recent discussions in the press and in the Provincial Parliament on the iron ore discoveries in Quebec and their connection with the St. Lawrence waterway project call for some public understanding of the factors involved.

As the writer and his associates have spent large sums of money and some years of time and effort in private enterprise research upon the technical problems of iron ore reduction under Canadian conditions, and no less because they are taxpayers, they are perhaps justified in expressing some of their findings.

1. Nova Scotia coal has high sulphur content and it is necessary to develop new methods of smelting if this coal is to be used to produce fine metal. The supply of low sulphur coking coal is rapidly declining in the United States and iron operators there are actively searching for these methods.

2. It requires nearly two tons of coal, converted to coke, to produce one ton of pig iron from a blast furnace, and the blast furnace, although a large producer of iron, is thermally inefficient, consequently there are many technicians in the U. S. industry who think it will be eventually displaced. It requires a huge auxiliary coking industry. Methods are required which use less coal of a lower grade than the present blast furnace calls for.

3. Electric furnace smelting is not the answer to this problem. The Canadian Government, in the past, has thoroughly investigated electric smelting and found it not economical. It requires good coke and 2,000-2,500 K.W. hours to produce one ton of pig iron, so that a 1.5 million kilowatt installation would be required to commercialize the Quebec ores. Electric refining of pig iron, to remove sulphur, is however feasible, since only approximately 600 kilowatt hours are used for refining one ton of iron. The answer will be to use fuel for reduction and electric power for refining.

4. The Canadian market for iron is not nearly large enough to justify mining the Quebec deposits. Besides the ore recently found in Quebec, there is the Steep Rock ore in Ontario which is presently being shipped to Cleveland and, conceivably, could more easily be brought down the St. Lawrence than the much greater bulk of its required coal could be taken up to the Great Lakes. There is certainly no justification to develop the waterway to take the ore from Quebec through the Lakes to support the smelting industry in the Cleveland region.

5. The best ore in the world is found in Brazil and Venezuela. It is superior to even the high grade Swedish magnetite. The Brazilian deposits are already accessible to the ocean, and the undeveloped Venezuelan ore is on navigable water. Canadian ore or metal, therefore, must compete with these supplies in world markets, and we may even consider these as a possible source of supply for a smelter on the St. Lawrence, since they may be delivered here competitively with Canadian ores.

6. Sweden, with a good ore supply and a poor coal supply, nevertheless has made a success in world markets with fine steel and special high priced ferrous products. We can do the same in Canada, although our technique must be different from theirs.

7. The present estimates of the cost of the St. Lawrence waterway are based largely on the costs of improvements for getting more ships and bigger ships through canals above Montreal. If the projected number and size of ships are to ply this river, it will be necessary to increase speed and to protect both sides of the river, from Montreal to Quebec, from erosion by wash of the boats and this could cost more than the development above Montreal. It would seem more logical to improve the river below Montreal first, to accommodate and speed up existing traffic, and to avoid the erosion of the banks which already occurs.

8. With regard to power development, the 50-year history of hydro-electric development in Canada has proved that, if we keep the power on this side of the border, industries will come here and use it. In the years to come, we will undoubtedly have found methods of using our low grade high sulphur coal for the reduction of iron ore, but we will certainly need all the power available for refining and processing the metal so obtained. The reason we have a large newsprint industry in Canada is because we have kept our logs and our power on this side of the border.

We are therefore drawn to the conclusion that the logical location for the development of a smelting and steel industry is some point on the St. Lawrence, below Montreal, where coal from Nova Scotia and elsewhere, and iron ore from Ontario, Quebec and South America can be brought together most economically and where the pooled power resources of the St. Lawrence and the St. Maurice can also be available for refining and processing. This does not involve immediate development of the St. Lawrence scheme above Montreal, but it does require improvement of the St. Lawrence below Montreal.

(Signed H. Freeman, President, Ferrum Limited, Cap de la Madeleine, Quebec)

H. E. PRINGLE

has been named a vice-president of Building Products Ltd.

Stock Exchange Plans Advance For Edmonton

From Our Own Correspondent

EDMONTON—A private bill to incorporate an Edmonton stock exchange has received second reading in the Alberta legislature. It has been referred to a legislative committee, which will either reject, amend, or pass it for third reading.

Bill was introduced by Clayton Adams, S.C., Edmonton, former chairman of the board of industrial relations.

It lists following stock brokers as being incorporated under the name of the Edmonton Stock Exchange: John E. Sydie, Kenneth P. Duggan, Clayton L. Jackson, Carl F. Falkenberg, Maurice D. Parry, Kingsley S. Langfeldt, John Logan Sutherland, Eric M. Duggan, Walter C. Jackson, Alan K. Snell, Harold F. LeMasurier and Albert E. Rose. It also includes "and such other persons as may become members of the company."

Objects set out in the bill for the company are: to compile records and publish statistics; to list, buy, sell and deal in stocks, shares, bonds, debentures and other securities, and to acquire and distribute information respecting same; to provide and regulate suitable premises for a stock exchange and offices in Edmonton. The head office of the company will be at Edmonton.

In addition to all other powers vested in it, company would be empowered to acquire, hold and dispose of real property, borrow money on the security of its assets or otherwise, and lend money with or without security.

It also would be permitted from time to time, with the sanction of two thirds of the members present at a duly convened general meeting, to distribute rateably to the members any funds certified by the auditors to be reasonably required for company purposes.

Until the first general meeting, those mentioned above would exercise powers of a board of directors.

If the bill should go through the legislature successfully, it likely will be at least fall before the stock exchange is launched.

COMPANY REPORTS

RELIANCE GRAIN CO. 1948 net profit was quadrupled at $527,844 ($131,504). The profit figure includes a special dividend of $350,000 (less U. S. tax reduction) from Smith-Murphy Co., the American subsidiary.

During the year the company disposed of all of its country elevator properties and its terminal elevator at Port Arthur, and the only elevator property which it now owns is a terminal at Fort William. The statement of surplus shows an increase of $1,382,655 over 1947 after taking into account the excess of the selling prices of properties and investments over their book values and an adjustment respecting the provision for income and excess profits taxes for the years 1941 to 1946 inclusive and after charging premiums and other expenses on redemption of bonds and preferred stocks, dividends to preferred shareholders to date of redemption and dividends aggregating $2,575,000 paid to common shareholders.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$393,651	$393,164
Add: Div. from Smith-Murphy Co.	332,500	......
Less: Deprec.	50,969	158,118
Bond interest	5,338	23,542
Income tax res.	49,000	80,000
Net profit	527,844	131,504
Less: Pref. divds.	60,000	60,000
Com. divds.	2,575,000	......
Deficit for year	2,107,156	*71,504
*Surplus.		
Times Bond Interest Earned:		
Before deprec.	117.30	16.70
After deprec.	107.75	9.98
Earnings per Share and Dividend Record:		
Preferred	†	$8.77
Paid	$4.00	4.00
Common	‡4.68	0.72
Paid	0.75+25.00	....

†Redeemed Nov. 30, 1948.
‡Includes $3.33 per sh. divd. from Smith-Murphy Co. Inc.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & Dom. bds.	......	$112,105
Accts., etc., rec.	$807,551	620,638
Grain, per invent.	9,301,416	11,451,104
Total curr. assets	10,108,967	12,182,842
Invest. in N. Y. sub.	442,953	250,000
Misc. assets▲	301,585	1,106,157
Fixed assets*	521,627	1,865,735
Total assets	11,375,139	15,414,734
Bank loans	7,249,939	9,031,910
Accts. & tax. pay.	446,077	1,667,265
Other curr. liab.	......	19,098
Total curr. liab.	7,696,016	10,718,273
Funded debt	......	900,000
Capital stock	100,000	1,800,000
Capital surplus	†	399,873
Earned surplus♦	3,579,118	1,796,588
▲Incl. ref. EPT	110,000	749,764
♦Incl. ref. EPT	520,000	749,764
*After depr. of	21,432	3,501,923
†Transferred to earned surplus.		
Working capital	2,412,951	1,474,569

GLOBE OIL CO. received $149,611 from Turner Valley royalties and shares in other companies the year ended Nov. 30, 1948. Net production from Leduc and Lloydminster wells was $326,518, making a total income of $439,882.

From this $439,882 was deducted $322,430 development and depreciation write-offs with net profit of $87,540 or 2.2 cents a share after all charges. Of write-offs, President Clifton C. Cross states: "At first glance this would appear to be an excessive reservation but your directors are of the opinion that as long as tax regulations permit extensive write-offs of development costs, such write-offs should be taken, certainly while income tax rates remain at their present high level."

Besides seven producing wells already owned jointly with Leduc West Oil Co., Globe plans an eighth in a section where a well lost for mechanical reasons indicated production. Two other wells are planned at Leduc also. A participation is held in North Continental No. 1 well southeast of Redwater. Leases and reservations are held in numerous areas including Jumping Pound, Bantry, Pincher Creek, Stettler, Edmonton, Calgary, Birch Lake, Hanna, Kinsella and Killam areas.

INCOME ACCOUNT

Years Ended Nov. 30	1948	1947
Prod. share	$326,518	$25,187
Net roy. income	108,743	99,361
Other income	4,621	9,752
Total income	439,882	134,270
Less: Int. & exch.	6,588	1,283
General exp.	23,324	22,030
Depr.	16,813	7,777
Devel. allow.	304,117	33,893
Net profit	87,540	68,378
Less: Divds.	158,000	117,038
Deficit for year	70,460	48,650
Earnings per Share and Dividend Record:		
Earned†	$0.022	$0.018
Paid	0.04	0.03¾

†Based on shares outstanding as shown below.

Shares outstanding	4,000,000	3,800,002

BALANCE SHEET

As at Nov. 30:	1948	1947
Cash	$21,550	$459
Divid. fund	47,683	55,813
Acct. rec., etc.	60,519	5,066
Deposits	1,254	1,254
Total curr. assets	131,006	62,592
Royalty invest.†	271,566	310,840
Invest. in synd.	14,366	10,740
Invest. in subsid.	15,997	......
Invest. in shs. of other cos.	103,722	85,484
Fixed assets:		
Equip. & furn.‡	94,906	46,378
Leases, at cost	203,355	180,139
Wells§	167,467	158,086
Abandoned wells	23,734	17,859
Deferred chgs.	5,192	4,486
Total assets	1,031,811	876,654
Bank loan	64,534	75,000
Lion Oil Prod. Co. Ltd.	20,469	36,672
Accts., etc., pay.	94,684	56,119
Prov. for taxes	......	488
Total curr. liab.	179,687	168,279
Tayl'r Petrol. Op. Ltd.	620	......
Capital stock	847,400	712,501
Surplus account	3,505	●4,126
‡After depr. of	26,051	7,777
†After depl. of	105,894	69,646
§After res. of	338,011	33,893
●Deficit.		
Working capital	*48,681	*105,687

*Excess of current liabilities over curr. assets.

R. M. BALLANTYNE CO. 1948 net profit was up 32.5%. Reconditioning of company plant was not wholly completed but it's hoped plans so far determined will be completed in a few months. This might mean somewhat higher capital expenditures for equipment than auditors indicated. Capital expenditures for 1948 was $31,803.

Addition to company lines to serve demands of girls', boys', and an extensive selection of children's outerwear, have been made. Also there has been broadening in color and design of two other lines produced (men's and ladies').

INCOME ACCOUNT

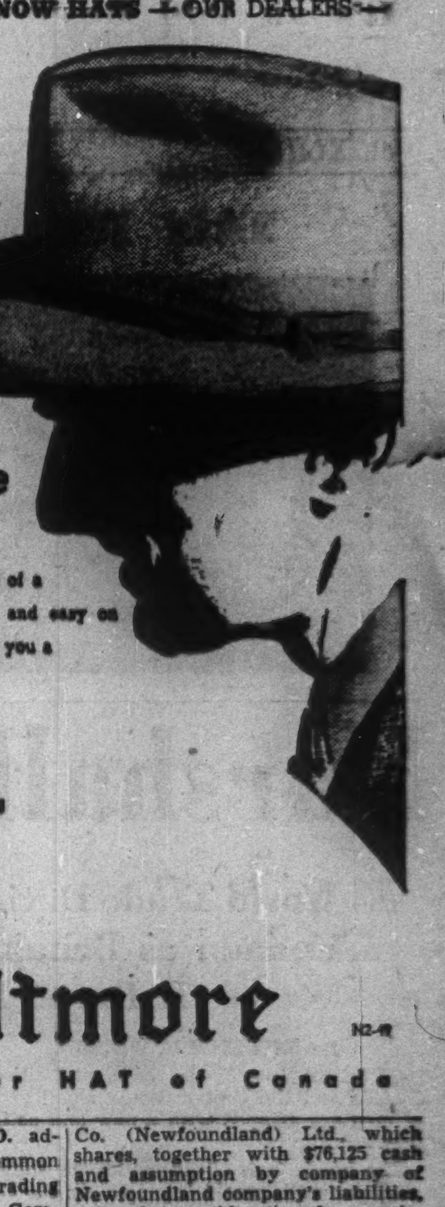
Years Ended Dec. 31:	1948	1947
Net earnings▲	$98,029	$89,787
Less: Tax res.	36,411	43,268
Net profit	61,638	46,519
Less: Pref. divds.	13,750	......
Surplus for year	47,878	46,519
▲After deprec. of $7,,576 in 1947, unstated in 1948.		
Earnings* per Share and Dividend Record:		
Preferred	$11.21	$8.46
Paid	2.50	....
Common	0.96	†0.66
None paid.		

*Based on present outstanding capitalization.
†After providing for full year's dividend requirements on the pref. stock.

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$190	$40
Accts. rec.	171,263	111,671
Inventories	176,626	81,405
Total curr. assets	348,079	193,116
Prepaid exp.‡	1,598	552
Misc. assets▲	31,438	22,063
Fixed assets*	162,684	76,342
Total assets	543,799	292,073
Bank loans, etc.	78,536	20,526
Accts., etc., pay.	100,167	21,932
Taxes pay.	30,437	37,267
Total curr. liabs.	209,140	79,725
Pref. divd. arrears	......	31,973
Capital stock	282,508	171,700
Earned surplus	52,151	8,675
*After depr. of	9,468	283,124
▲Incl. ref. EPT	......	21,850
‡Included in curr. assets in co's report in 1948.		
Working capital	138,939	113,391

THE MEN WHO KNOW HATS — OUR DEALERS — AGREE: — —



Men talk about the comfort of a Biltmore Hat—it's so light and easy on the head. Our dealer hands you a Biltmore with confidence.

Fine Quality Biltmores $5.00 to $40.00

Biltmore
The Master HAT of Canada
N2-49

IMPERIAL TOBACCO CO. additional 180,000 $5 par common shares have been called for trading on Montreal Stock Exchange. Company issued new common shares to shareholders of Imperial Tobacco Co. (Newfoundland) Ltd., which shares, together with $76,125 cash and assumption by company of Newfoundland company's liabilities, were the consideration for acquiring Newfoundland company as a going concern.

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Additional Issue

$3,750,000

Simpsons, Limited

4½% Cumulative Redeemable Preferred Shares
(Par Value $100)

Preferred as to Capital and Dividends. Cumulative preferred dividends at the rate of 4½% per annum will accrue from March 15th, 1949 and as and when declared by the Board of Directors will be payable quarterly on March 15th, June 15th, September 15th and December 15th. Dividends will be payable in lawful money of Canada at any branch in Canada of the Company's bankers (Yukon Territory excepted). Redeemable in whole at any time or in part from time to time, at the option of the Company on sixty days' notice, at 104 plus accrued and unpaid dividends to the date fixed for redemption.

TRANSFER AGENTS: National Trust Company, Limited, Toronto and Montreal; The Canada Permanent Trust Company, Winnipeg; The Canada Trust Company, Vancouver; The Eastern Trust Company, Halifax.

REGISTRARS: The Royal Trust Company, Toronto and Montreal; The Canada Permanent Trust Company, Winnipeg; The Canada Trust Company, Vancouver; The Eastern Trust Company, Halifax.

In the opinion of Counsel, these Shares will be a legal investment for funds of Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932, as amended.

We, as principals, offer these Shares, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of our Counsel, Messrs. J. S. D. Tory, K.C. and Associates, Toronto, who are also Counsel for the Company.

Price: $97.50 per share

It is expected that Definitive Share Certificates will be available for delivery on or about April 1st, 1949.

A Prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, as amended, will be promptly furnished upon request.

Wood, Gundy & Company Limited

Royal Securities Corporation Limited
Nesbitt, Thomson & Company Limited
McLeod, Young, Weir & Company Limited
Mills, Spence & Co. Limited
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Wills, Bickle & Company
H. B. Housser & Co. Limited
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Yorkshire Securities Limited
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Milner, Ross & Co.
Fairclough & Company Limited
Isard, Robertson & Co. Limited
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It's an Odd Business

Hospital for Battered Oil Drums

Fast Clean-Up, Paint-Up Job Saves Millions For Business

By W. L. DACK

"We roll out the barrel," Barney Shea says.

He's a company head in one of Canada's most unusual businesses—a hospital for old steel drums.

At his West Toronto plant of Universal Drum Reconditioning Ltd., dirty, battered steel drums—some of them from half-way round the world—are given the new look at a 3,000 a-week clip. Just a 45-minute hike through $65,000 of special equipment and the steel containers are ready for the road again.

Out of curiosity, Shea marked a few drums to see how often they returned; some came back as many as 50 times before they were irreclaimable. The average, however, is closer to eight times.

What does all this mean to business?

A new drum of the 18-gauge variety costs around $5; reconditioning costs $1.25.

Here's what a firm might save from use of reconditioned drums in its shipping operations. Using 1,000 drums a month, the cost of new drums at $5 each would be $60,000 a year. At a cost of $1.25 for reconditioning, the year's charge would be only $15,000—a saving of $45,000. But this is assuming that every drum could be successfully reconditioned 12 times a year, which is highly unlikely, particularly in heavy local trade which entails much handling. Assuming that on the average a drum can be reconditioned only eight times before it has to be replaced, the savings would be around $38,000. In actual practice, drums may only return three or four times a year, some not at all.

Hope to Keep Cost Low

By use of still more efficient, automatic equipment and savings from volume production, the reconditioning industry hopes to be able to maintain its relative cost-attractiveness to shippers. The dangers of inroads into business from shippers setting up their own reconditioning plants is slight, they think. So far, there are only a few shippers in Canada who have enough volume in a production area to justify heavy expenditures for special plant and equipment.

Even more important was the saving in steel, estimated in U. S. at 400,000 tons, for the barrel reconditioning business last year.

"Had it not been for reconditioned drums, we would have been forced to cut our output by about 50% the last several years," an official of a large Canadian oil company told the Financial Post.

The two private firms equipped to do the complete job mechanically handled more than half the 750,000 drum jobs last year. One firm has now boosted production to the 1,000-a-day rate; the other is handling around 700 a day. Together the industry will go well over the million mark this year.

In addition, several oil companies—biggest customer for the reconditioning industry—do some of their own work. Biggest Canadian reconditioning plant is that of Imperial Oil Ltd. at Sarnia, where approximately 1.5 million drums were handled last year.

Carry Variety of Products

When pressed into heavy local service a drum may have to revisit the "hospital" three or four times in as many months to be scoured out, its dents smoothed out, and a new paint job. In the wider field of international trade it may go a-roaming like a tramp steamer for two or three years before returning to its home base. In the interim, it may have been half way around the world and carried everything from motor oil to mutton tallow.

The future looks bright, reconditioning officials say, because steel drums are being used for shipping more and more products. Wooden barrels once got the major slice of the container market, because many products containing reactive chemicals ate away the sides of the steel drum. In the process the quality of the product would be impaired. But now special inside coatings have been developed for special products. By this spring a large Montreal firm, Standard Barrels & Drums Inc., will be using some eight different coatings. These will enable them to handle 90% of all chemicals and such food products as lard, shortening, vegetable oils, syrups, etc.

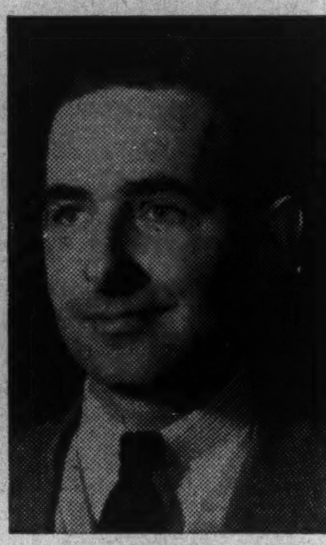
Cold and Salt Water

One of the biggest problems for research chemists is the effect of extreme temperatures on the inside coatings. Last year an entire shipment of motor oils to the Arctic was destroyed when the inside coating began to break down under temperatures of 50 degrees below zero.

Another problem—already licked by one company—is to keep painted and stencilled brands and company names on drums. Salt water travel is particularly hard on exterior paint and stencilling jobs. But everyone in the industry is confident that these few remaining bug-a-boos will soon be overcome.

The largest firms not only recondition drums for customers but also buy and sell drums on their own account. They also act simply as a laundry for some customers, cleaning and scouring out drums preparatory to re-filling. Some firms maintain large stockpiles of used drums for sale, most of them having been purchased in the U. S. It is estimated that two of the largest Canadian reconditioning firms imported about as many drums from the U. S. last year as were manufactured domestically. The saving in U. S. dollars arising from curtailed sheet steel imports for new drums is substantial.

Modern drum reconditioning is a by-product of war and the steel shortage. Most of the mass-production equipment used today in the reconditioning business was designed and rushed into operation under stress of war. Prewar, most of the light, 18-gauge drums were non-returnable; that is, the shipping companies did not bother to buy them back. The drum cost was included in total laid down cost of product. The customer could do whatever he liked with them. Some of them ended up as floats for rafts, others became box stoves and some were pressed into service as rain barrels. But during war, shipping companies paid to get the drums back. They are still doing so. The heavier ones (14-16 gauge) were always returnable.



Mr. SHEA

How "Hospital" Works

Here are the actual reconditioning operations of Shea's company. The used drums move in from the storage yard to plant on a conveyor belt at about one a minute. If the drum has no dents, it is rolled into an outside automatic "stripper." The drum is revolved through an alkali solution; two chemically treated brushes remove paint, oil, and grease and buff the surface, preparing it for the paint job. From the outside stripper the drum travels to an outside rinse. Rinsing is done in a closed tank that takes eight drums with water at high pressure sprayed on them from all angles.

Drums that have to be dedented are sent to a special machine which holds them in a press that withstands 30 tons pressure. Water is pumped into the drums until 100 pound per square inch pressure is reached. The dents disappear like magic. The drum is then emptied by means of air pressure and sent to the outside stripper to be prepared for painting.

After the outside rinse, a submerged unit flushes away all foreign material, rinses and sterilizes the interior. From the inside rinse, the drums are conveyed to a drier which thoroughly dries inside.

Chaining the Drum

The drum is now ready for interior inspection. If some rust or foreign material remains in the interior that drum is "chained." In this operation case-hardened cutting chains are placed in the drums with a quantity of abrasive solution. The first machine does the body, the next does the head, another scours the bottom. This removes all rust, paint, varnishes and other heavy materials. As a rule, any drum known to have contained these types of materials are sent to the chaining department first.

After being inspected for any remaining interior defect, the drum chine—top edge or collar—is straightened or re-rolled in a hydraulically operated machine. Finally a check is made for leakage. This is done by brushing a soap solution on all seams, after eight lbs. air pressure is pumped into the drum. Any leaks that show are repaired by acetylene welding.

Specially trained welders in the "drum hospital" repair defective drums by acetylene welding. Leaks are repaired in this way and even new flanges built up.

Painted in a modern spray booth, the drums revolve horizontally on rollers, two coats of finish are applied simultaneously; they are now fed automatically to a chain conveyor and in an infrared oven dry in 3½ minutes. Average even temperature in the oven is around 275 F.

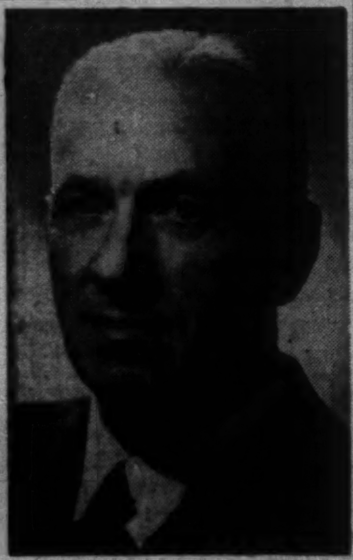
Advertise with Drums

More and more firms are using their drums as an advertising medium. Distinctive colors not only present a more attractive appearance but guarantee return of the same container shipped.

By using "Portco" drum reconditioners at its Sarnia plant, Imperial Oil has been able to consolidate most of the cleaning operations into one job. The Portco units automatically strip paint from outside, clean oil from inside, and rinse and dry both the interior and exterior of drums with a single handling.

One of the most recent developments in the reconditioning business is removable tops for drums. At least one Canadian company has installed highly specialized equipment which will replace drums tops and secure them snugly in place.

One part of the equipment slits off the top of the drum, another machine rolls the edge so that the top fits back readily. Then a metal clamp is placed around the circumference which holds the lid in place while in transit. The whole operation takes about one minute. The removable top makes inside coating jobs much easier.



MR. GORDON BLYTHE

National Home Monthly announces the appointment of Mr. Gordon Blythe as Advertising Manager. Mr. Blythe has been associated with Stovel Publications for the past 16 years. *

Modern Bus Depot In New Westminster

From Our Own Correspondent

NEW WESTMINSTER, — B. C. Electric Railway will build a new $175,000 bus and inter-urban railway terminal here.

A. E. Grauer, BCER president, said blueprints are already drawn up, and show a terminal similar to the new Vancouver depot, one of the most modern on the continent and occupying an entire city block.

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DEPENDABILITY
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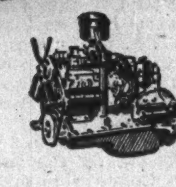
That's what you get in the

NEW DODGE

DE LUXE and SPECIAL DE LUXE MODELS



PERFORMANCE — The powerful Dodge L-Head engine has fewer moving parts to wear — is easier to adjust and keep in adjustment. Its amazing smoothness originates with the unique 3-point Floating Power engine suspension.

ROOMY COMFORT — The famous Dodge Floating Ride is smoother than ever. New, longer 118½ inch wheelbase further improves the Dodge "cradled-between-the-axles" ride — allows ample head and leg room front and rear.

VISIBILITY — You get a wide view of the road through the new higher, wider windshields. Glass area is 37% greater. New, more efficient wipers sweep 61% more glass area. Defroster vents cover the whole windshield width.

THE BEAUTIFUL NEW Dodge DeLuxe and Special DeLuxe models are cars you will want to see, own and drive. They're new . . . modern as tomorrow . . . with natural beauty that flows from true automobile design. There's more elbow room, leg room and head room . . . greater visibility . . . plus an amazingly s-m-o-o-t-h ride.

Get behind the wheel! You'll appreciate the many improvements that add to the Dodge reputation for Dependability, Economy, Roomy Comfort and Smooth Riding. The famous Dodge Floating Ride is even quieter and more restful because of heavier insulation, softer rubber body mountings, improved springing, new "sea-leg" shock absorbers.

You'll like the power and economy of the 97 h.p. L-Head engine . . . and the many "extra" economy features such as an oil filter, floating oil intake and self-cleaning fuel filter in the gas tank, which are *standard* equipment. These new cars start easier, stop faster; you can see over the hoods; you can get in and out with ease.

See these great new cars today at your local Dodge-DeSoto dealer's showroom. Compare them feature by feature with other cars in their price class . . . then drive them and you'll agree that they are the outstanding automobiles in the low-price field.

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Trustee in Bankruptcy RUSSEL R. GRANT, F.C.A.

BARROW, WADE, GUTHRIE & CO.
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SASKATOON SASK.

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EXPORTING?
Foreign trade outlook is one of many topics fully reported by The Financial Post. Plan with greater confidence by reading The Post regularly.
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Careers for Canadians—V

Department Stores Offer Many Avenues to Success For Young Canadians of Personality, Adaptability

By EDGAR G. BURTON
(President, Robert Simpson Co. Ltd., Toronto)

While selling is the key job, there are a whole host of other job opportunities for young Canadians in the nation's expanding department store business.

The large number of different positions under one roof, says Mr. Burton, is unique insurance that the conscientious man with better-than-average ability won't waste efforts in a dead-end job.

Here's the fifth in The Post's series designed to help young Canadians and their parents decide the vital question of their future.

Department stores today offer one of the widest fields of job opportunity to young Canadians.

They provide a broad series of occupations leading to successful careers. While it is true that selling is the key job in department stores, there are many others which call for specialized talents.

Merchandise buying, banking, finance, interior decorating, designing, dressmaking, restaurant and special catering, varied office and secretarial work, personal shoppers, customer consultants such as brides' counsel, fashion advisers and co-ordinators, modeling, commercial art, personnel work—these are but some of the interesting possibilities for advancement.

This large number of different positions under one roof is in itself unique insurance that the conscientious employee with better-than-average ability will not waste his or her efforts in a dead-end job.

As further protection to the employee and to the company, the more progressive department stores maintain efficient personnel review systems. At regular intervals the progress of each individual on the staff is examined, while special attention is given to the discovery of particular talents that are not being fully utilized.

In the mail order houses, which in Canada are mainly adjuncts of department store operations, this wealth of diversity in job opportunity also applies.

Catalogue production and distribution is a fascinating and complex business. Merchandising itself is a highly skilled gamble on the future.

Many Openings

Interwoven through the mechanism of distributing thousands of articles in all parts of Canada, are many little-known job openings for young men and women of talent who wish to do something different from the usually more publicized vocations.

The president of Lord and Taylor, New York, is an example of how far a woman of character and ability can go in a department store. While it is not possible to establish any measure of earning power after a set period because of the many separate careers, a young person of better than average ability could earn between $4,000 to $6,000 in the larger department stores after five to 10 years' employment.

There are other inducements. Among these I might mention holidays with pay, a regular pension plan such as is in effect in my own company, discounts on merchandise purchases, etc. Most progressive department stores, within their ability to do so, invest in their employees' welfare in this way because they realize the success of their joint enterprise depends on joint effort.

My own company, which has been expanding in recent years to meet a substantial increase in business, is always on the lookout for men and women of potential executive calibre. We are particularly proud of the supervision given to the placement of war veterans who served overseas during some of the most productive years of their lives.

In fact, a committee was formed to ensure that each veteran staff member of the company came back to a position that was in keeping with the additional experience received in the services.

Variety of Conditions

The diversity or variety, if you will, which characterizes department stores applies also to working conditions. Some jobs where there are no seasonal fluctuations call for a steady output of work the year around, while others, particularly those in the administrative, merchandising and selling operations, pass through alternatively very busy and slack periods.

Some department store men travel a great deal to every part of the world, while those in other jobs rarely leave the city in which they are working.

More important, if a young Canadian, gauging the results of honest effort, looks to a department store, he or she will find that a vocational decision is not gambled on one job but spread over many—the risk of becoming a square peg in a round hole is negligible for there are always other possibilities which can usually be tried in the same organization.

If success comes, the department store careerist will find satisfactory earnings, excellent working conditions, progress on merit, and congenial fellow-workers.

Perhaps one of the rewards in a department store career which it is difficult to measure by the usual standards, is the many real friendships which are formed. The reason is simple. In department stores the emphasis is still on individuals, on pleasant human relationships, and not on machinery.

EDGAR G. BURTON, 44, of Toronto, became president of Simpson's Ltd. just over a year ago after 23 years' service with the nation-wide chain of department stores. In that time he had been successively an assistant buyer, a department merchandising manager, general manager and managing director. He started out adult life articled to a law firm. Attracted to merchandising as a career he quit to take a job as a shipping room helper in a Chicago store in 1923. During the war he was retail trade administrator for the WPTB. In addition to being president of Simpson's Mr. Burton is director of the Canadian Bank of Commerce, Toronto General Trusts Corp., London Life Insurance Co., and a number of other corporations.

What's Looked For

On the other side of the picture the department store has equally as specific requirements of the young Canadian seeking employment.

Pre-eminently and succinctly there is—character, loyalty, the will to work to succeed, with a large measure of stability. Those are the ingredients which can lead to advancement. Without them, great ability alone is not enough.

Combined with strength of character, which no aptitude tests or other modern personnel tools have supplanted, you have the basis for a career which should move steadily forward.

In ability there are two demands made by the department store of those aspiring to executive rank. Versatility, is the first Since a department store is really many enterprises, the man who has not only better than average ability, but is also versatile in those talents, will go further.

Secondly, imagination and resourcefulness are just as essential to progress. There are always many individuals who can prepare the facts or catalogue a situation, but there is a premium in department stores on those who can analyze, who can see beyond the bare outline of the moment.

Of necessity many decisions in department store organizations are improvisations because a store is not an assembly line with relatively unchanging procedures. A store is really an investment in human relations.

Situations constantly arise where precedents have to be disregarded and new decisions made. This human element with all its complexities stemming back from customer-employee relations cannot be overemphasized.

Creativeness, flexibility of mind, the avoidance of prejudices; these smooth the path to responsible positions. Department stores cannot adhere to the "old ways," merely because they are "old," but only when they are tested and no better way can immediately be found.

Even then, the employee responsible should be looking for improvement. Complacency can have no room in a department store which expects to prosper.

Personality Important

While character and ability rank as the most important attributes in department store careers, personality also has its place. Again the diversity of department store positions means that almost every kind of normal personality can be fitted in.

There is, however, one proviso for all jobs—the individual must be able to get along with people. There is no future in a department store for a man with a chip on his shoulder or unwarranted disregard for his associates' welfare. Yet competition in a department store for responsible positions is always intense.

But, like competition among businesses, it is played according to the rules of the game which in a phrase means "doing a better job."

Educational requirements depend largely on the type of job. A lack of extensive formal education is no barrier to advancement, but generally speaking high school graduation is considered not only a reasonable qualification for employment, but also necessary for most jobs.

The value of high school education is enhanced where practical courses of a specialized character have been undertaken, together with the usual academic curriculum.

As for university education, it is quite helpful but not essential for certain executive positions. It should be emphasized that more education is never a hindrance—it is an asset provided there is not too great a loss in years from the school of experience—learning on the job.

Business is Expanding

Finally, a more general comment Canada is expanding today as never before. In recent years industrial development has been enormous and rapid, while at the same time we are becoming more and more urbanized.

Many small stores are growing into department stores, and the larger retail organizations, like my own, have been expanding to keep pace. Immigration and a higher birth rate—the prospects of a 13 million population by 1949—point the way we are going.

Distribution performs a vital and interesting function because of its importance in our growing communities. Employment is stable, while the job opportunities to Canadians are increasing every day.

There is no place for those without the will to work, but the rewards as well as the process of earning them are both desirable to those young men and women of conscience, ability and an old-fashioned belief in honest effort.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

FIDELITY TRUST CO. 1948 net profit was $6,022 as against a loss of $34,864 in 1947. Mortgages and sales agreements as at year end stod at $131,452 as against $171,411 at end of 1947. Liquid assets stood at $236,056 ($185,634).

"Apart from the investment reserve for $672.13 no further provision has been made in the accounts as at Dec. 31, 1948 for any losses which the company may sustain in the realization of loans and advances or for losses which, in our opinion, the company will sustain in the realization of mortgages and agreements for sale," the auditors state.

	1948	1947
Liabs. to public, etc.*	$33,869	$27,060
Shareholders' equity	336,044	330,022
*Secured by:		
Mtge. & sls. agree.	131,452	171,411
Realty for sale	2,380	......
Office premises	25	37
Liquid assets†	236,056	185,634
Total	369,913	357,082
†Includes bonds and stocks.		
Earned per share	$0.39	d$2.25

No dividend payments.

Note: Loss on properties sold in 1947 amounted to $42,117, equal to $2.72 per sh.

CANADIAN NATIONAL RAILWAYS gross revenue was the highest in its history, notwithstanding the somewhat lower over-all traffic, as a result of rate increases which became effective during the year. The increased revenue was more than offset by further large increases in labor and material costs so that there was a deficit, after all charges, of $33,532,741 (a deficit of $15,085,194 in 1947) Chairman & President R. C. Vaughan reports.

Gross operating revenue was $491,269,950, up $53,071,970 or 12.1% over 1947. Operating expenses totaled $464,739,970, up $67,617,363 which is attributable principally to increased wage rates, vacation allowances and high material prices.

Net operating revenue was $26,529,980 ($41,075,373 in 1947).

Freight revenues were $393,544,359 or 80% of total operating revenue, $50,962,356 (14.9%) higher than in 1947. Increased freight rates (Canada and U. S.) produced about $53,670,000 additional revenue, offset $2,707,644 by reduced traffic volume.

"Freight rates were a matter of vital concern to the railway in 1948 and continue to be such," Mr. Vaughan states. "During the early months of the year Canadian traffic moved at the same level as that of 1921, whereas U. S. traffic was being carried at rates about 39% over those in effect less than two years previously. Subsequent increases brought the average over-all increase in the U. S. rates up to 51.7%. Increases authorized by the Interstate Commerce Commission during 1948 were responsible for additional freight revenues of $9,367,000 on the U. S. lines of the Canadian National System."

The effect of the Board of Transport Commissioners' order of March 30, 1948, was to increase CNR's Canadian freight revenues by an average of 18.2%. Adding rate increases on international and related traffic, gross increase in Canadian lines freight revenues, due to rate adjustments, was 21.6%

The Board's order failed to produce results intended and did not provide sufficient additional revenue to offset the still rising costs of operation, Mr. Vaughan points out. For the CNR, increased revenues of $53,670,000 due to rate increases were overtaken by increased operating expenses of $67,617,363, of which $39,100,000 represented increased labor costs and $20,906,000 higher costs for materials.

Charts and tables included in the report show in detail the increase in cost of materials.

Passenger revenues were $41,562,141, 8.5% of the 1948 total, down $1,455,548 (3.4%) from 1947 and 40% below the peak year of 1944.

Express revenues were $23,410,761, highest on record and up $2,158,977 (10.2%) over 1947. About 44% of the increase was due to increases in competitive rates made effective on April 8 and Sept. 15. Number of shipments handled was up 4.4%.

Telegraph revenues were $7,885,347, up $183,927 (2.4%).

Average number of employees in 1948 was 111,072. Their total compensation was $305,397,747. Changes made in 1948 increased labor costs for the year by $39,100,000 and for a full year the cost of these changes in 1948 would amount to $47,257,000, Mr. Vaughan states.

Capital debt increased $72,397,373 in 1948 due to the financing of new equipment purchases, the 1947 capital budget and additional working capital.

Capital expenditures were $64,989,132. Cost of new equipment was $49,184,949. Most important items were 34 Diesel-electric locomotives, 6,606 freight cars, 28 first-class coaches, 10 baggage cars, 10 mail and express cars, 50 express refrigerator cars, 28 work cars, one tug and one barge. Included in this expenditure also are 56 sleeping cars purchased from the Pullman Co. at depreciated values.

New equipment on order, delivery of which is expected in 1949, will cost about $38,195,000, and includes 20 Diesel-electric locomotives, 3,499 freight cars, 25 first-class coaches, 20 sleeping cars, 50 baggage cars and 50 express refrigerator cars, representing the balance of the 1948 program, and 18 Diesel-electric locomotives and 68 refrigerator cars being the balance of the 1947 program.

Eight compartment-observation cars and nine standard sleeping cars were rebuilt and modernized. Twelve other sleepers are being rebuilt and the 1949 program includes rebuilding 11 more compartment-observation cars. All of this work is being done in the company's shops.

The International Aviation Building, adjoining the Montreal Central station, will be ready for occupancy in July.

The branch line in Quebec from Barraute northerly towards Kiask Falls has been built to mile 39.2 and was placed in operation on Feb. 28, 1949. In 1949 it is proposed to complete station buildings and engine house facilities and to install additional balance of the line.

The 1948 multiple unit Diesel-electric locomotives were introduced in the freight service between Montreal and Toronto and it is hoped to obtain further power of this kind in 1949. The new steamship "Prince George" entered the service between Vancouver, Prince Rupert and Alaska on June 10 and will be of great assistance in promoting tourist traffic in the coastal area.

Land sales totaling over a million dollars were made included 28,000 acres of Prairie lands and a large amount of miscellaneous inactive railway property.

CONS. INCOME ACCOUNT

Years End. Dec. 31:	1948	1947
Total oper. rev.	$491,269,950	$438,197,980
Less: Oper. exp.	464,739,970	397,122,607
Taxes & rents	16,354,350	17,364,750
Net oper. rev.	10,175,630	23,710,623
Add: Other inc.	6,244,150	7,334,841
Less: Deductions	5,122,670	3,106,314
Net income	11,297,110	27,939,150
Less: Fund. debt int.	23,202,818	23,821,909
Govt. loans int.	21,627,033	20,002,435
Deficit	33,532,741	15,885,194
Times Fund. Debt Int. Earned	0.49	1.17

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$19,918,170	$13,538,605
Cash invests.	5,499,506	5,477,650
Spec. deposits	4,814,419	5,191,995
Accts. rec.	32,411,124	31,948,455
Gov't ry. def.	....	3,885,194
Mat. & supplies	74,024,304	62,945,537
Other curr. assets	607,190	356,308
Total curr. assets	137,274,713	123,343,744
Def. assets	61,401,654	56,489,479
Unadj. debits	8,369,661	7,363,880
Property:		
Road & equip.	2,071,916,913	2,009,365,828
Improv. leased prop.	2,465,306	2,152,437
Other prop.	64,535,010	62,363,085
Res. funds	18,698,204	7,447,897
Def. maint. fund.	17,000,000	25,000,000
Invest. affil. cos.	64,547,637	59,794,603
Other invests.	820,143	954,035
Total assets	2,447,139,241	2,354,274,988
Acct. & tax. pay.	44,775,546	38,291,715
Dom. int. pay.	20,612,678	18,858,213
Due gov't re def.	6,167,259	....
Other curr. liabs.	20,908,676	24,500,635
Total curr. liabs.	92,464,159	81,650,563
Deferred liab.	50,724,855	46,430,398
Funded debt	584,232,658	582,859,762
Subsid. stock	4,567,540	4,570,940
Insur. res.	13,486,000	12,340,769
Depr. res.	138,904,920	125,045,637
Def. maint. res.	17,000,000	25,000,000
Other res., etc.	11,011,635	12,660,670
Dom. gov't acct.	760,494,825	689,470,348
Dom. gov't—Prop. equity:		
CNR stock	18,000,000	18,000,000
CNR Secs. Tr. stk.	378,518,135	378,518,135
Cap. expend.	377,724,514	377,677,766
Working capital	44,810,554	41,693,181

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INCOME TAX

Refundable Savings

The compulsory savings collected in 1943 and 1944 are now being refunded. These include both the principal deducted in those years and a certain amount of interest at 2%. Is this money liable for income tax when received?

The interest part of the payment is considered income and taxable. The principal, however, is not considered taxable.

INVESTMENTS

Canada Kelp Co.

Please bring me up to date on the present status of Canada Kelp Co.

R. W. T. Burleigh of the Vancouver investment firm of Burleigh & Partners, Ltd., advises The Financial Post as follows:

"Canada Kelp Co. is at present in voluntary liquidation, and unless certain funds can be raised to carry on the operation it will eventually have to be wound up.

"There are many technical problems in connection with this that would have to be solved and they haven't reached that point yet."

Canada Kelp Co., Vancouver, B.C., was incorporated in April, 1946, to harvest and process kelp and kelp products at its property on Deer Island near Hardy Bay on the northwestern end of Vancouver Island.

Union Gas Co.

What is the future earnings outlook for Union Gas Co.? Will the company have any difficulty in retiring its funded debt next year?

Two big factors that have improved earnings outlook for Union Gas Co. of Canada over past year have been establishment of a substantially higher rate structure and discovery of some important new natural gas wells in company's supply area.

Although there have been no official announcements on earnings for current fiscal year ending Mar. 31, 1949, it is fairly common knowledge that they will be considerably improved from last year. Recently announced 12½c a share dividend—first since 20c a share was paid July 10, 1947—reflects improved position.

Big adverse factor in company's operations during past several years has been downward trend in natural gas sales compared with manufactured gas sales. It has been higher cost of manufactured gas and increasing dependence on this source of supply that prompted company to press for higher rates.

Since rate revision was based on assumption this trend would likely continue, any improvement in proportion of natural gas used or reduction in cost of manufactured gas could be quickly reflected in earnings.

Although a recent company statement claimed new gas fields looked "promising," it added that indications so far are they will not be enough to make up for declining supply from other company wells.

Some investors place good deal of hope in possibility of eventual supply of natural gas from Panhandle Eastern Pipeline Co., of Kansas, with which Union Gas has contracted for annual delivery up to 5.5 billion cu. ft. of gas, the contract to run over 20 years.

Pipeline facilities have been constructed on Canadian side to accept delivery of this supply. However, gas shortages in Michigan area and inadequate pipeline facilities have so far blocked any delivery of U. S. gas outside of two small deliveries last summer.

Company has been retiring its funded debt (first mortgage 4½% bonds, due Dec. 1, 1950) at rate of $250,000 a year, except 1947 when $500,000 was retired It is not anticipated company will have any difficulty in meeting bond maturity requirements. Company surplus as at Mar. 31, 1948, was $3,430,903 and working capital position (excess of current assets over current liabilities) was $1,495,629.

Brown-McDade

Do you expect an early return of work at Brown-McDade? Weren't results secured before fairly encouraging? What is holding things up?

Work was suspended at the property of Brown-McDade Mines because of the difficulties relating to its remote location (in the Yukon) and high mining costs under present conditions. However, results were sufficiently attractive to warrant further work being done and we are informed that further work can be expected when conditions relating to gold mining improve.

At present, costs of mining gold are just about as high as at any time in the experience of the Canadian gold mining industry, so that it does not appear likely that work will be resumed at Brown-McDade in the immediate future. Due to the small issued capitalization, no reorganization will probably be necessary when it is felt feasible to resume work.

Porcupine Peninsular

Why hasn't Porcupine Peninsular Gold Mines been doing better on the market recently? I thought that this company with over a million tons of ore should be pretty well set, but the price has had a catastrophic decline. What's the answer?

Porcupine Peninsular Gold Mines was incorporated in 1921 and early work did indicate some 1,480,000 tons of ore, averaging 0.123 oz. a ton to the 675-ft. level in the western part of the property. However, this deposit was not considered sufficient in itself to justify a gold mining operation, even at $35 price for gold.

Further property was acquired in 1945 and underground work was resumed in an effort to prove up sufficient further ore grade material to justify consideration of production plans. When this operation was unsuccessful, the mining plant was sold off.

We have no knowledge of a mill having been installed as suggested in your letter. It is possible that further work may be done when conditions become more favorable, but there are no plans for this at the moment.

PAUL D. BOWRING

has been elected first president of the Newfoundland Junior Chamber of Commerce.

U. S. May Get Gander Rights Until July 1

OTTAWA (Staff)—It is believed here that the Canadian Government may accept an American suggestion to continue the Fifth Freedom status quota at Newfoundland for three months after date of Confederation.

This would be on the understanding that prior to that date there will be a full-dress discussion between Canada and Newfoundland of outstanding border and international airway issues which are now hanging fire between the two countries.

This plan would permit the three big U. S. carriers to continue their Fifth Freedom rights in Newfoundland until July 1.

BOOKS FOR BUSINESSMEN

CCH CANADIAN MASTER TAX GUIDE, 4th Edition — For 1948 Returns and 1949 Policy. Published by CCH Canadian, Ltd., 411 Transportation Bldg., Montreal; 1200 Lawrence Ave. W., Toronto. 222 pages. Price, $3.

Fourth edition of this well-known tax work deals with income tax problems under old and new acts. Accordingly it is helpful to taxpayers making up their 1948 returns, as well as to all taxpayers under the new act. Old and new acts are correlated so reader thus becomes aware of changes in law and general tax policy.

While primarily an income-tax guide, for both individuals and corporations, it also gives much information on succession duties, excise, amusement, and sales taxes. It also discusses the Canada-U. S. reciprocal tax and succession duty conventions.

Thus it interprets and is complementary to the CCH Canadian Income Tax Act Annotated and the Canadian Income War Tax Act Consolidation. Conclusions presented are those of the Supreme Court of Canada, the Exchequer Court or final administrative construction on the act. Any rate or exemption changes in the budget will be covered by a free supplement. It is in effect a condenssation of the big loose leaf CCH Canadian Tax Reporter.

Special feature is the cross-reference table between old and new acts.

MINE ACCOUNTING & FINANCIAL ADMINISTRATION, by Frank Willcox. Published by Sir Isaac Pitman & Sons (Canada) Ltd., Toronto 2. 489 pages; with illustrative charts and forms. Price, $7.50.

This textbook on accounting deals with every phase of mining from prospecting to production, from taxation to F.E.C.B. procedure. It is not likely ever to become a best seller but it is sufficiently interesting to attract many readers in the mining field, and not just those interested in accounting as a profession.

Mr. Willcox, vice-president and managing director of Corporation Management Ltd., deals with such tricky problems as valuation to be placed on pooled mining shares, voting trust agreements, and estimating of ore reserves, as well as the more usual problems encountered by the mine accountant.

To make the volume valuable as a textbook, test questions (and answers) are given on typical mine accounting problems.

ARABIAN OIL; America's Stake in the Middle East, by Raymond F. Mikesell & Hollis B. Chenery. Published by University of North Carolina Press, Chapel Hill, N. C. 201 pages; 19 tables. Price, $3.50.

"Arabian Oil" is the story of American petroleum interests in the Middle East since the 1930's and their relation to U. S. foreign oil policy.

This factual and technical study not only provides useful information regarding the technical, legal and economic problems of oil recovery in the Middle East, but it also presents a significant case study of foreign investment and its relation to U. S. foreign economic policy.

Current public interest in Arabian oil is greater than in any other single foreign activity of American private enterprise. American oil companies are creating what may well become the most important single U. S. foreign investment from the standpoint of its size and significance to the American economy.

This work will be of interest to Canadian businessmen who keep informed on world oil developments and foreign investment.

MASTER OF THE "GIRL PAT," by Capt. Dod Orsborne, edited by Joe McCarthy. Published by Doubleday Canada Ltd., Toronto. 278 pages. Price, $3.50.

The exploits of this modern soldier of fortune, British agent, danger hunter and one-man task force make an astonishing, sometimes incredible, story of Orsborne's junkets during two world wars and the years in between.

At 21, he was the youngest captain in the British Merchant Marine. His extraordinary life involved him in pearl hunting, a safari to destroy a man-eating tiger, an escape through a crocodile-infested river, espionage for British intelligence, and almost anything else that looked like danger.

His cruise in the "Girl Pat," while outrunning his pursuers, is one of the epics of the sea — 2,600 miles across the Atlantic to Devil's Island with almost no food, very little fuel and no compass or charts.

McCarthy, in his preface, feels this comment is necessary: "If you think this stuff is incredible, you ought to see some of the things we had to leave out."

SHAKE WELL BEFORE USING, by Bennett Cerf, illustrated by Carl Rose. Published by Musson Book Co., Toronto. 306 pages. Price, $3.

Successor to "Try and Stop Me," this new collection of "impressions and anecdotes, mostly humorous" is good fireside reading if taken in moderate doses. But it will pall, just like maple syrup if you try to take too much at a sitting. Excellent source material for appropriate "that reminds me of a story" items for speakers, since the book is divided into financial, railroads and shipping, sports, travel, society, radio, etc.

The book is based on "Cerf's Law": spend a couple of years carefully collecting and noting down the funniest stories you hear, spend several months selecting them, several more editing and polishing them, serve them up with your own original wit, and you may end up with a book of very funny stories.

THE BEAR FACTS, by Polly Culbertson, illustrated by Paul Fennell. Published by John C. Winston Co., Toronto. 30 pages. Price, $1.50.

A mischievous combination of fact and fancy; of fable, allegory and satire. The Big Bad Wolf in villainy has been replaced by the Big Black Bear who walks like a man and lives in a cave behind the Iron Curtain.

This is the tale, simply told, of the Big Black Bear who awakens after a long sleep and gets out of bed on the "left" side. A bully on the rampage, he tries to make all other animals into bears.

Lightly but pointedly, the book presents a tongue-in-cheek version of the most important question of today.

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If You Have An Automobile Accident, Here Are Some Points to Remember

What should you do if involved in an automobile accident?

Few motorists go through life without having some accidents—scratched fenders or complete wrecks.

If you are to blame you may get a claim for damages, if the other party is at fault you have a right to compensation. In either case it's important to do the right thing to protect your own interests while being fair to the other party. Attention to certain points which may seem unimportant at the time may make a big difference in the final settlement.

If anyone is seriously hurt, give first aid, call a doctor, ambulance, police.

Apart from this here are some routine things you should do:

Exchange license numbers, names and addresses with the other motorist, and check the number plate of the car with the vehicle registration certificate. Check the name on the driver's license with that on the vehicle permit. Need of knowing who owns the car and who was driving is obvious in case of dispute.

If property damage is over $50, report to the police.

If there is any personal injury, get full particulars at the time.

Notify your insurance company or your agent as soon as possible.

Get names of witnesses to the accident, whether they are friends of yours or of the other party involved, or bystanders.

Don't discuss details haphazardly. Often a party involved in an accident may be entirely innocent of error but in a bad crash, the strongest of nerves will be shaken and a very conscientious person, excited and unstrung might easily admit responsibility which is not his.

Reconstruct in your mind as far as possible all the circumstances. Were you violating the traffic laws in any way? Did you do all that you reasonably could to avoid an accident. If you get a chance it's a good idea to make notes for your own information while the details are fresh in your memory.

If you were breaking any law when the accident occurred, would it invalidate your insurance either for collision damage to your car or for injury or damage to the person or property of another?

Insurance men say that here you must distinguish between a breach of the criminal code and of the policy conditions on one hand and an infraction of other laws such as the highway traffic act on the other.

The statutory conditions of the standard automobile policy in Ontario, for example, say that under the insurance contract the insured must not use the car:

While under the influence of intoxicating liquor or drugs to such an extent that he is incapable of controlling the car.

For any illicit trade or transportation. (As for example transporting narcotics, staging a holdup, etc.)

While for the time being not authorized or qualified to drive.

In any race or speed test.

Nor shall he permit any other person to use the car in the ways above noted.

It was pointed out, however, that under the absolute liability provisions of the uniform insurance act, if judgment is obtained against an insured, then the company must honor its liability up to standard limits regardless of the circumstances. But if the insured has been guilty of some act prohibited in the insurance policy or under the criminal code then the insurance company by "subrogation" may claim recovery from the policyholder of money paid out on his behalf.

Insurance executives told The Financial Post that breach of the statutory conditions outlined above, which also includes breach of the criminal code in using the car for any illicit trade or transportation, would invalidate the insurance, subject to the absolute liability provisions noted. But breach of highway traffic regulations would not necessarily do so. The statutory conditions say nothing about the insurance being affected by failure to give a proper signal when turning, driving over the speed limit, etc.

Said one insurance executive: "You buy insurance for protection against claims or losses that might be sustained when either you or somebody else is careless. If everybody drove according to the law and used common sense, there would be very few accidents. But few people do and it is for financial protection in such cases that people buy insurance. If the companies were to renege everytime a policyholder drives over the speed limit, drives too fast on an icy pavement or fails to give the proper signal, there wouldn't be much use in people buying insurance. Most automobile accidents, like most fires, are preventable. But insurance companies can't repudiate their liability because some minor law has been infringed."

If you admit that an accident was caused by your failure to observe the traffic laws or if you are convicted in court, will the insurance still stand?

"Yes, as long as you have not broken the statutory conditions" insurance men say.

Here is an actual case that illustrates the point:

A man and his wife were driving down town in a Canadian city. The man owned the car. The wife was driving.

The wife rammed the car ahead, causing about $100 damage to it, $300 damage to her own. A passenger in the car ahead was injured.

While the parties involved were exchanging addresses, making notes etc., the husband of the woman driver remarked, "She glanced sideways for a minute."

Shortly after, the police called the man who was injured, tried to get him to lay a charge of reckless driving against the driver and owner of the car that did the damage. He refused.

Insurance men say that in spite of the husband's admission and even if the wife were convicted of reckless driving, it would make no difference as far as the insurance is concerned, either as regards collision damage to her own car or liability for bodily injury to other persons or damage to their property.

Such an admission, while not invalidating the insurance, might easily affect the driver's civil liability for damages. For this reason motorists are often advised to make no admissions without legal advice, when an accident happens.

A prominent automobile insurance lawyer confirmed the view that such an admission that the wife had "glanced sideways" would not affect the insurance. "We have people every day pleading guilty to infractions of the highway act, but no question is ever raised about the validity of their insurance, on that account," he said.

How do companies assess the damages they pay without going to court?

In many cases where the amount is not too high they send an adjuster around to inspect the damage and interview the interested parties. The number of claims that go to court is relatively small, and they are usually for large amounts, where the point at issue is the amount of the damages or there is a dispute as to who is liable for the accident.

Are there many complaints as to the attitude of adjusters?

Relatively few. Of course in any settlement some people will always claim they "have been robbed." Larger companies often have their own adjuster, some employ independent adjusters. The companies claim their adjusters try to be fair because the ability of a company to get business depends on its readiness to meet reasonable claims.

From a reader in Manitoba, however, The Financial Post has received a complaint regarding the way the "board companies" settle their claims in Saskatchewan. While claiming he is not a socialist, he says the experience of his company (operating a large fleet of trucks) has been much more favorable with the Saskatchewan Government Insurance Office than with the board companies. He says in part:

"One of our cars was recently in a serious mishap in Saskatchewan. Within three or four days of the accident the Saskatchewan Government paid us in full the value of the car. In fact, they paid us at a higher valuation than we had placed on the car. We contrast this experience with the one we have had with the insurance companies we have done business with; we have always found it extremely difficult to get any claims paid where there is any doubt as to who was responsible for the accident.

"For some years now we have not carried collision insurance, because we feel that the rate for it is unduly high and we have tried to cover our own collision losses to our own cars. The tendency on the part of the board company insurance adjustors in cases of this kind appears to be to place the blame on the driver of the car that does not carry collision insurance so that the insurance companies will not be called upon to pay under the public liability clauses that are carried by both cars in the accident.

"Every time an adjustment comes up, the adjuster has some new reason to offer as to why our man is responsible—even though the driver of the other car may have been guilty of exactly what our man was penalized for in the previous accident."

What do insurance men say?

Board company executives stated the words "Every time an adjustment comes up, the adjuster has some reason to offer as to why our man is responsible" have a familiar ring. They say they have heard it often from their own representatives.

They say further that their information from Saskatchewan indicates that the SGIO is often slow in paying, especially in the case of garages repairing damaged cars. They also state that the SGIO plan is not insurance but a compensation scheme under which compensation is paid irrespective of who does the damage.

There is no need of any investigation or delay in paying damages as the government is spending public funds; there is little incentive to make sure that the compensation is in line with the actual injury sustained and not excessive. They quote the recent adjustment in Saskatchewan rates as evidence that the experience there has not been good. They wondered if the accident experience of the Saskatchewan correspondent's company has been especially unfavorable as he seems to have no complaint of the way the board companies meet public liability or property damage claims.

Insurance men generally state that they are selling a service to protect their policyholders against claims for damages that may be made against them and that if they are to continue in business they must give good service in meeting such claims as arise.

L. S. ODELL

has been elected president and managing director of Building Products Ltd.

Compulsory Insurance Rejected By Alberta

From Our Own Correspondent

EDMONTON — Over CCF objections, the Alberta legislature has adopted a legislative committee report rejecting compulsory automobile insurance.

Economic Affairs Minister Hooke said the committee rejected compulsory auto insurance such as the CCF government introduced into Saskatchewan for several reasons. He said the Saskatchewan plan does nothing to promote safety, and does not give insurance at appreciably lower rates.

LINGNORA GOLD MINES directors have granted a 60-day extension on option installments to Traco Investments Ltd. in consideration of the purchase by the optionee of 13,334 shares at 7½c a share, representing a part of his option on 200,000 shares at 7½c a share, leaving 875,200 in treasury.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

QUINTE MILK PRODUCTS, LTD. Wellington, Ont. net profit of $42,701 for 1948 was down slightly from $46,915 in 1947. During the year, the company, to provide for the increasing volume of milk offered it, rented and operated the Bloomfield Cheese Factory on a satisfactory basis, President A. L. A. Richardson states.

The subsidiary continued its acquisition of the company's Class A shares.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$104,490	$115,998
Less: Deprec.	23,641	19,525
Conting. res.	7,500	7,500
Inc. tax reserve	30,648	42,058
Net profit	42,701	46,915
Less: Dividends†	22,502	26,988
Surplus for year	20,190	19,927
†After deducting subsid. co's. portion.		
Earnings per Share and Dividend Record:		
Class A†	$1.17	$1.23
Class A‡	1.04	1.11
Paid	0.60	0.45
Class B‡	0.44	0.51
None paid.		
Com. (old):	......	0.15+0.10
‡Before (†after) participation.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & Dom. bds.	$67,055	$51,140
Accts. rec.	55,730	40,116
Inventories	24,090	36,249
Total curr. assets	146,875	127,505
Misc. assets▲	11,586	8,739
Fixed assets*	127,766	131,576
Total assets	286,227	267,820
Total curr. liab.	37,161	32,779
Contingent res.	22,500	15,000
Capital stock†	84,943	87,706
Earned surplus▲	141,623	132,335
*After deprec. of	238,586	215,406
▲Incl. ref. EPT	7,228	7,091
†After deducting shs. held by subsid.		
Working capital	109,714	94,726

FANNY FARMER CANDY SHOPS, INC. 1948 net profit was off 20.3%. Total sales were $17,049,586, compared with $17,779,965 in 1947. Some high-grade foods indicate price drop early in 1949; if this happens price of Fanny Farmer candies will be reduced as soon as possible, President John D. Hayes states.

In April, 1948, New York studio was opened and the efficiency of its operation increased as the year progressed. During 1949 directors are looking forward to very satisfactory results in every department of the entire studio.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Sales	$17,049,586	$17,779,965
Net earnings	1,711,482	2,217,291
Less: Tax reserve	615,083	841,579
Net profit	1,096,399	1,375,712
Less: Com. divds.	684,026	684,026
Co's shs. purch.	......	124,387
Surplus for year	412,373	567,299
Earnings per Share and Dividend Record:		
Com.: Earned	$3.21	$4.02
Paid	1.50+0.50	1.50+0.50

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$700,316	$1,067,985
Govt. & mun. bds.	530,211	530,212
U. S. treas. certifs.	500,135	509,000
Securities, less res.	115,838	115,838
Inventories	1,485,192	1,451,201
Total curr. assets	3,331,692	3,674,236
Prepd. def. chgs.	23,439	20,479
Fixed assets*	3,359,882	2,950,305
Total assets	6,715,013	6,645,020
Accts. pay.	9,186	5,994
Taxes pay.	846,997	1,074,076
Misc. reserves	60,669	179,162
Total curr. liab.	916,852	1,259,232
Capital stock	763,821	763,821
Surplus	5,034,340	4,621,967
*After depr. of	2,757,711	2,651,165
Working capital	2,414,840	2,415,004

CONSOLIDATED PAPER CORP. 1948 net profit was up 20.8%. Demand for newsprint continued to exceed supply throughout 1948. There was some abatement of the demand for pulps in December, but total production of all saleable products was the highest in history.

Tonnage of all products shipped was approximately 3.5% more than 1947. Sales amounted to $76,663,469 as compared with $68,544,563. The 12% increase was due to an increase in tonnage sold and to higher prices. The machines at Laurentide division which were converted to to the manufacture of higher grade papers started production early in the year and the new product has been well received and with satisfactory results, the annual report states.

Increased revenue was almost absorbed by wage increases and higher costs of pulpwood, supplies and transportation.

During the year $4,195,884 was spent replacing and modernizing manufacturing and pulpwood facilities. Additional generating equipment being installed at the Belgo and Wayagamack divisions is expected to be completed in 1949. A two-tower acid system has been installed at the Belgo division, increasing capacity. A new pulpwood unloading wharf, replacing an old one, has been constructed at the Port Alfred division.

In the woodlands division, opening of the Portneuf district necessitates building of a permanent dam on the Portneuf River. For the more efficient transportation of pulpwood, four vessels known as L.S.M.'s were purchased and are being converted to pulpwood carriers.

At the end of year, approved but unexpended appropriations for capital expenditures for replacements and improvements of manufacturing and pulpwood handling facilities amounted to $2,221,669. Some $3,725,644 was spent on maintenance and repairs at the mills.

Inventories were $6 million higher than at end of 1947 and are up $21 millions during last three years. This is accounted for by steadily increasing cost of pulpwood and the greater quantities required for capacity operations.

With the exceptions of newsprint, increased production of pulp and paper products may bring supply more into balance with demand. Newsprint is still in short supply in spite of tonnage made available through increased Canadian production and larger U. S. imports from European sources. Due to rising costs of transportation and to higher prices of pulpwood and other supplies, the outlook is for increased costs even if production is maintained at capacity, the annual report states.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948 $	1947 $
Net earnings	25,116,345	24,951,345
Less: Deprec.	4,263,883	4,109,750
Bond & deb. int.	1,076,520	1,211,048
Income taxes	7,200,000	9,650,000
Res. for invent.	1,500,000	500,000
Add: Sec. prof.	661,890	231,324
Net profit	11,737,832	9,711,871
Less: Divds.	4,489,623	3,847,396
Surplus for year	7,248,209	5,864,475
Times Bond Interest Earned:		
Before deprec.	23.95	20.79
After deprec.	19.99	17.40
Earnings per Share and Dividend Record:		
Common: Earned	$4.58	$3.79
Paid	1.00+0.75	1.00+0.50

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & Dom. bonds	$4,938,556	$5,491,169
Invest. secs.†	29,496	559,317
Other inv., bk. val.		34,607
Accts. & bills rec.	7,090,178	7,525,006
Inventories	36,512,822	30,509,511
Total curr. assets	48,571,052	44,119,610
Misc. assets	597,959	651,337
Secs. acq. for s.f.	4,209,956	3,522,574
Fixed assets*	38,512,725	38,640,022
Total assets	91,891,692	86,933,548
Accts. & tax. pay.	11,853,699	13,165,918
Accr. bond int.	552,072	612,500
Divds. pay.	3,262,937	2,605,345
Total curr. liab.	15,668,708	16,383,763
Property res.	16,069,942	16,027,904
Conting., etc., res.	3,854,641	2,346,418
Bond interest	12,923	18,291
Funded debt	31,547,000	35,000,000
Capital stock	5,133,602	5,128,234
Surplus	19,604,876	12,028,933
*After depr. of	53,373,948	49,650,913
†Market value	unstated	1,191,030
Working capital	32,902,344	27,735,847

What is it worth to-day?

Costs of repairs and replacements have increased tremendously over pre-war.

Building Materials are up 117%
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THE WESTERN ASSURANCE COMPANY — THE BRITISH AMERICA ASSURANCE COMPANY
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Balance Sheet—December 31st, 1948	The Western	The British America
ASSETS		
Cash in Banks	$ 3,830,409.72	$ 1,591,912.48
Securities	13,383,011.23	9,165,874.89
Other Assets	2,990,969.70	1,368,075.25
TOTAL ASSETS	$20,204,390.65	$12,125,862.62
LIABILITIES		
Provision for Unpaid Claims	$ 4,438,398.94	$ 2,417,857.12
Reserve for Unearned Premiums	5,189,305.16	3,330,220.93
Other Liabilities	4,251,368.31	1,849,772.72
TOTAL LIABILITIES	$13,879,072.41	$ 7,597,850.77
Capital Stock	$1,400,000.00	$750,000.00
Shareholders' Surplus	4,925,318.24	3,778,011.85
Surplus for Protection of Policyholders	6,325,318.24	4,528,011.85
	$20,204,390.65	$12,125,862.62

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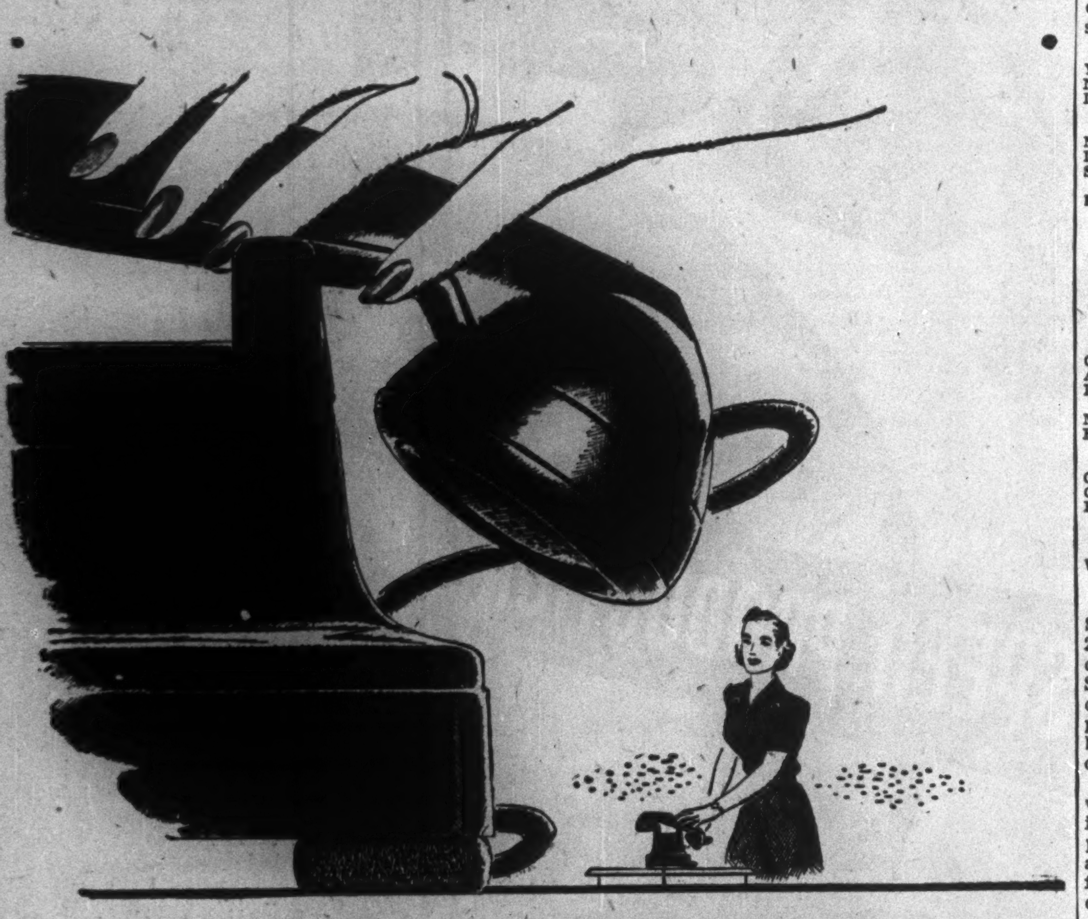

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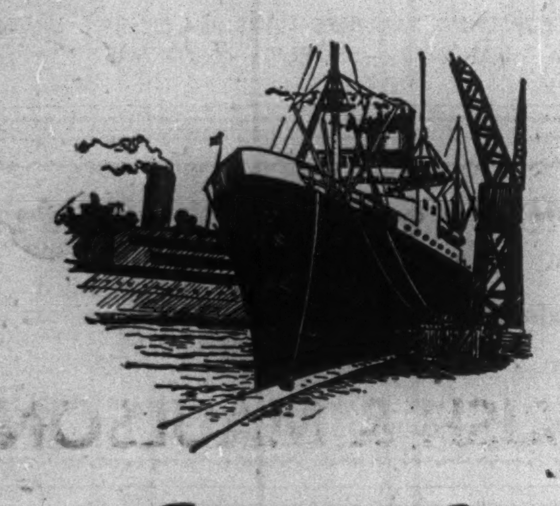

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Chartered Bank Branches Now Exceed Number Operating in Prewar Period

Canadian chartered banks are steadily opening new branches throughout the Dominion.

"Bank Directory of Canada" estimates number of branches in Canada on Jan. 31 at 3,429, increase of about 100 over same date last year, and the highest figure since 1935.

Practically all chartered banks are sharing in branch expansion, but most new branches are being opened by banks which previously had widest representation across the country.

This branch expansion program began in 1945 when the war ended and it appeared many bankers in the armed services would be returning to their jobs. It reversed a policy of reducing the number of branches, adopted by the banks in 1941 partly at the Dominion Government's request to conserve manpower and supplies.

Reasons for Expansion

Bankers give the following reasons for present branch expansion program:

It has been found desirable in some cases to replace branches closed during the war.

Canada's population and business has grown enormously, requiring wider bank services.

General outlook is for further growth in industry and banks don't want to be caught napping in the more promising districts.

Competition among banks is a big factor, one bank doesn't want another to get ahead of it in a new district.

Many banks being opened, even in more promising sections of our larger cities, admittedly won't pay for some years. One bank official told The Financial Post that a new branch usually is not expected to show a profit for about five years. At the end of five years, the bank executive is in position to say whether its judgment in opening a particular branch was sound. Banks can't always size up the situation in a district correctly, but in the majority of cases it's understood their decisions have proved to be right.

During the war when branches were being closed, arrangements were often made among banks to withdraw from certain districts on a mutually agreed basis. Sometimes one bank withdrew leaving the field to two or three others. Now that need to conserve men and materials is passing, number of branches is being regulated by present and future prospects.

While all provinces have shared in bank branch expansion, there has probably been most development on the Prairies and in B. C. where banks evidently are looking for big business.

Change in West

Said an executive of one of the larger banks to The Financial Post: "The change in the West, particularly Alberta and B. C., has been enormous over the last 15 or 20 years. Back in the early 30's, people on the Prairies had no deposits and most loans were bad. Today farmers have money on deposit. Their loans are sound and banks have a lot of good customers all through that part."

At the Coast the general situation is similar.

Thus the number of branch banks has not only made good the wartime shrinkage, but has surpassed prewar years back to 1935.

Asked if all branches were expected to pay, a bank executive said: "No. There are sometimes other things besides profits to be considered, such as prestige, public goodwill and service." Take some branches in districts which are mainly residential. These may build up large deposit accounts, but the volume of loans is very small. However, while the branch itself may not pay, the bank makes money out of it because funds representing savings deposits may be used by the bank elsewhere in investments, commercial loans, etc. In such cases the bank allows the branch a percentage on its funds used in other areas.

Wider Loaning Powers

A factor which also has affected banks' branch policy indirectly is wider loaning powers allowed since the Bank Act revision of 1944. This now permits banks to make loans to farmers and fishermen on security of electrical equipment, etc., which was not allowed before. Moreover, under the Farm Improvement Loans Act, banks can lend on security of real estate, prohibited to them in any other field.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

DAVIS LEATHER CO. 1948 net profit was off 24%. Figure includes investment income of $102,610, compared with $92,761 in 1947. Despite tanning industry difficulties in the first six months, company finished the year with its second highest dollar sales volume and net profit, Chairman J. A. Gairdner states.

In March last year world calfskin prices dropped 50% from their previous high, with consequent unsettlement of leather prices and adoption by manufacturers of a hand-to-mouth purchasing policy.

At same time there was a rapid shrinkage in export demand from nondollar countries, so sales volume during first half of year was very substantially curtailed.

Demand picked up, however, in late summer with result that in closing months of year company sales in Canada and U. S. were substantially in excess of production, annual report states.

The export market from other than the U. S. continues to be most restricted, will in all probability continue to be so until there is some favorable development in foreign exchange conditions or until Canada participates more fully in ERP expenditures.

Company is developing new lines of production and finding new markets to replace those which have been temporarily lost, it is said. New boiler house facilities begun last year are now almost completed and these, combined with other incidental improvements undertaken during the year, bring total capital expenditures to $57,320.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	†543,276	$859,308
Less: Deprec.	13,056	7,976
Pens. fund	......	37,000
Inc. tax res.	159,000	327,000
Net profit	371,220	487,382
Less: Cl. A divds.	150,000	150,000
Cl. B divds.	109,808	109,808
Surplus for year	111,412	227,524
Earnings per Share and Dividend Record:		
†After pension fund.		
Class A	$3.71	$4.87
Paid	1.50	1.50
Class B	1.41	2.15
Paid	0.70	0.70

Note—Earnings exclude profit from sale of securities of 79c per sh. on cl. A and 50c on cl. B in 1947; 8c and 5c respectively in 1948.

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$144,401	$464,892
Accts. & bills rec.	601,046	860,740
Stks. & govt. bds.‡	1,928,806	1,852,788
Inventories	2,777,481	2,875,160
Total curr. assets	5,451,734	6,053,580
Prepaid exp.§	35,639	38,404
Ref. EPT	6,878	6,900
Fixed assets▲	322,288	278,024
Total assets	5,816,539	6,376,908
Bk. loan & overdraft	1,286,254	1,514,440
Accts., tax., etc., pay.	230,339	681,581
Total curr. liabs.	1,516,593	2,196,021
Invest. res.	321,648	314,000
Capital stock	2,785,185	2,785,185
Earned surplus♦	1,193,113	1,081,702
♦Incl. ref. EPT	6,878	6,900
▲After depr. of	unstated	117,240
‡Market value	1,938,358	1,896,918
§Included in curr. assets in co's. report.		
Working capital	3,935,141	3,857,559

BARBER-ELLIS OF CANADA, LTD. had a consolidated net profit of $229,571 in 1948, up 33.7% from its net of $171,726 in 1947. Fixed assets were increased by $200,343.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$410,727	$399,732
Less: Bond int.	16,806	17,706
Inc. taxes	164,350	210,300
Net profit	229,571	171,726
Less: Pref. divds.	4,200	4,200
Com. divds.	66,000	66,000
Surplus for year	159,371	101,526
*After deprec. of	56,718	unstated
Times Bond Interest Earned	24.44	22.58
Earnings per Share and Dividend Record:		
Preferred	$191.31	$143.11
Paid	3.50	3.50
Common	5.12	3.81
Paid	1.00+0.50	1.00+0.50

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & govt. bds.	$111,816	$162,076
Accts. rec.	540,679	466,032
Other invests.	75,338	76,655
Inventories	677,489	610,618
Total curr. assets	1,405,322	1,315,381
Prep. exp.§	36,582	38,457
Misc. assets▲	197,051	198,027
Fixed assets	1,602,421	1,402,078
Total assets	3,241,376	2,953,943
Accts. & tax. pay.	432,474	411,428
Bond interest	8,403	8,853
Pref. divd. pay.	2,100	......
Total curr. liab.	442,977	420,281
Funded debt	280,100	280,100
Deprec.	1,041,040	989,535
Other res.	210,485	156,937
Capital stock	500,000	500,000
Surplus▲	766,774	607,090
▲Incl. ref. EPT	79,249	88,000
§Incl. in curr. assets in co's report.		
Working capital	962,345	895,100

WEST KOOTENAY POWER & LIGHT CO. 1948 net profit decreased 15.4%. Kilowatt hours generated at Lower Bonnington and Goat River plants was 332,982,860, compared with 293,666,577 in 1947. Company now served 22,381 customers, 13,585 directly, 8,796 through municipally-owned distribution facilities. Over-all increase is 2,441.

Load on Goat River plant increased to such an extent that generators were taxed to capacity at peak periods. This condition will improve when the 800 hp unit now on order is installed, but only when sufficient water is available. Pole line extension of 49 miles was completed and additional distribution transformer capacity installed, totaling 3,014 kva. Load west of Rossland continued to increase abnormally, greater proportion occurring in the Okanagan Valley, particularly in Kelowna and Oliver-Osoyoos areas. Customers in rural area of Kelowna alone increased to 1,941 from 1,224 in 1947.

Two high tension transmission lines in the 50 miles between Tadanac and Greenwood were restrung with heavier copper during the first half of year. New 4,500 kva substation at Penticton was completed, will be on load early in 1949.

No decision has been given yet by the International Joint Commission on joint application of the company and Consolidated Mining & Smelting Co. of Can. for two more feet of storage in Kootenay Lake.

Years Ended Dec. 31:	1948	1947
Net oper. earn.	$1,240,214	$1,135,873
Add: Other inc.	83,793	399,181
Less: Depr.	219,639	201,612
Bad debt, etc.	......	499
Inc. tax prov.	377,211	473,361
Net profit	727,157	859,582
Less: Pref. div.	35,000	35,000
Common div.	916,800	1,222,400
Spec. com. div.	......	6,138,800
Deficit for year	224,643	6,536,618
Earnings per Share and Dividend Record:		
Pref.: Earned	$145.43	$171.92
Paid	7.00	7.00
Com.: Earned	11.32	13.49
Paid	15.00	20.00+100.44

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & Dom. bds.	$3,853,801	$4,767,454
Accts. rec.	222,823	274,002
Inventories	631,854	477,937
Total curr. assets	4,708,478	5,519,393
Prepaid exp.§	700	494
Misc. assets▲	2,550	42,036
Fixed assets*	3,043,293	2,425,247
Total assets	7,755,021	7,987,170
Total curr. liab.	454,754	458,001
Reserves	314,800	314,800
Capital stock	6,612,000	6,612,000
Surplus♦	373,467	602,369
*After depr. of	4,391,690	4,243,356
▲Incl. ref. EPT	......	38,544
♦Incl. ref. EPT	24,946	38,544
§Included in curr. assets in co's. report in 1948.		
Working capital	4,253,724	5,061,392

ALUMINUM CO. OF CANADA has purchased 2,000 more shares of 4% cumulative redeemable preferred stock for sinking fund purposes, leaving 563,424 shares outstanding.

H. R. MACMILLAN EXPORT CO. advises that following issuance of additional 4,718 class A and 14,154 class B shares, 750,989 class A shares and 2,252,967 class B shares are now outstanding.

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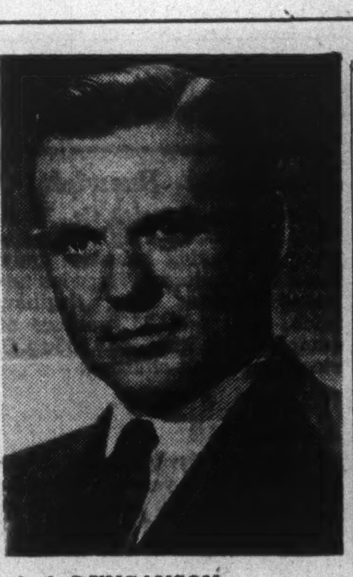

A. A. DUNCANSON

has been named general sales manager of World Brands, Ltd.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes.

R. C. BLUNDELL, an assistant secretary, Head Office, Toronto, to be secretary to the bank, at head office.

P. W. D. BRODRICK, an assistant manager, London, Eng., to be manager, Kingston, Jamaica.

G. SMITH, manager, Kingston, Jamaica, to be manager, London, England.

J. SOMERVILLE, manager at London, England, to be President, the Canadian Bank of Commerce (California) head office at San Francisco, Calif.

H. G. BOUGHNER, an assistant accountant, Saskatoon, Sask., to be manager Radisson, Sask.

J. S. RODGERSON, an assistant inspector in the department of the superintendent of Manitoba and Saskatchewan branches, Winnipeg, to be an assistant manager, Vancouver.

H. F. STEWART, manager at Radisson, Sask., to be manager, Wadena, Sask.

BANK OF CANADA

Liabilities ‡	Mar. 16 1949 $	Mar. 9 1949 $
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,233,466,319	1,228,671,992
Deposits: Dom.	100,685,587	191,823,079
Chart. banks	533,680,773	522,807,161
Other	86,088,368	68,127,679
Total deposits	720,454,728	782,757,919
Liabs. payable in sterling, U.S.A. and for'n gold currencies:		
(a) to gov. of Can.	86,630,502	......
(b) to other	320,360	......
Total	86,950,862	65,784,669
All other liabs.	14,557,816	12,185,085
Total liabs.	2,070,480,092	2,104,450,032
Assets		
Sterling & for'n exchange	81,950,138	60,784,669
Other currencies	50,479	70,072
Total	82,000,617	60,854,741
Subsid. coin	166,427	154,460
Dom. govt. sh.	806,796,968	806,636,046
Other secs.	5,000,000	5,000,000
Short term. sec.	1,126,450,766	......
Total invest.	1,938,247,734	1,995,362,550
Total share cap. at cost	25,000,000	25,000,000
Premises	2,637,146	2,637,146
All other assets	22,428,168	20,441,135
Total assets	2,070,480,092	2,104,450,032

Offer Bonds Schell Ind.

New issue of $500,000 5½% first (closed) mortgage sinking fund bonds of Schell Industries Ltd., Woodstock, Ont., is being offered by Harrison & Co. Issue price is $100 for each $100 bond and two no par value common shares.

Bonds are dated Apr. 1, 1949, mature Apr. 1, 1968. Sinking fund will commence on May 1, 1950, and its requirements are enough to retire the whole issue before maturity, prospectus states.

Proceeds are for exchange of presently outstanding $250,000 general mortgage and collateral sinking fund bonds due Apr. 1, 1968, to repay an $80,000 mortgage held by Industrial Development Bank, to pay off chattel mortgages of $108,975 held by Traders Finance Corp., and to supply additional working capital.

"Orders on hand are heavier than at the same period of any previous year and indicate full production ahead in all divisions," President Norman C. Schell states in the prospectus.

Arrangements to extend plant, add to machinery, equipment, increase working capital and integrate various divisions in one area (The Financial Post, Mar. 12) are expected to increase productive capacity to about double present rate, he adds.

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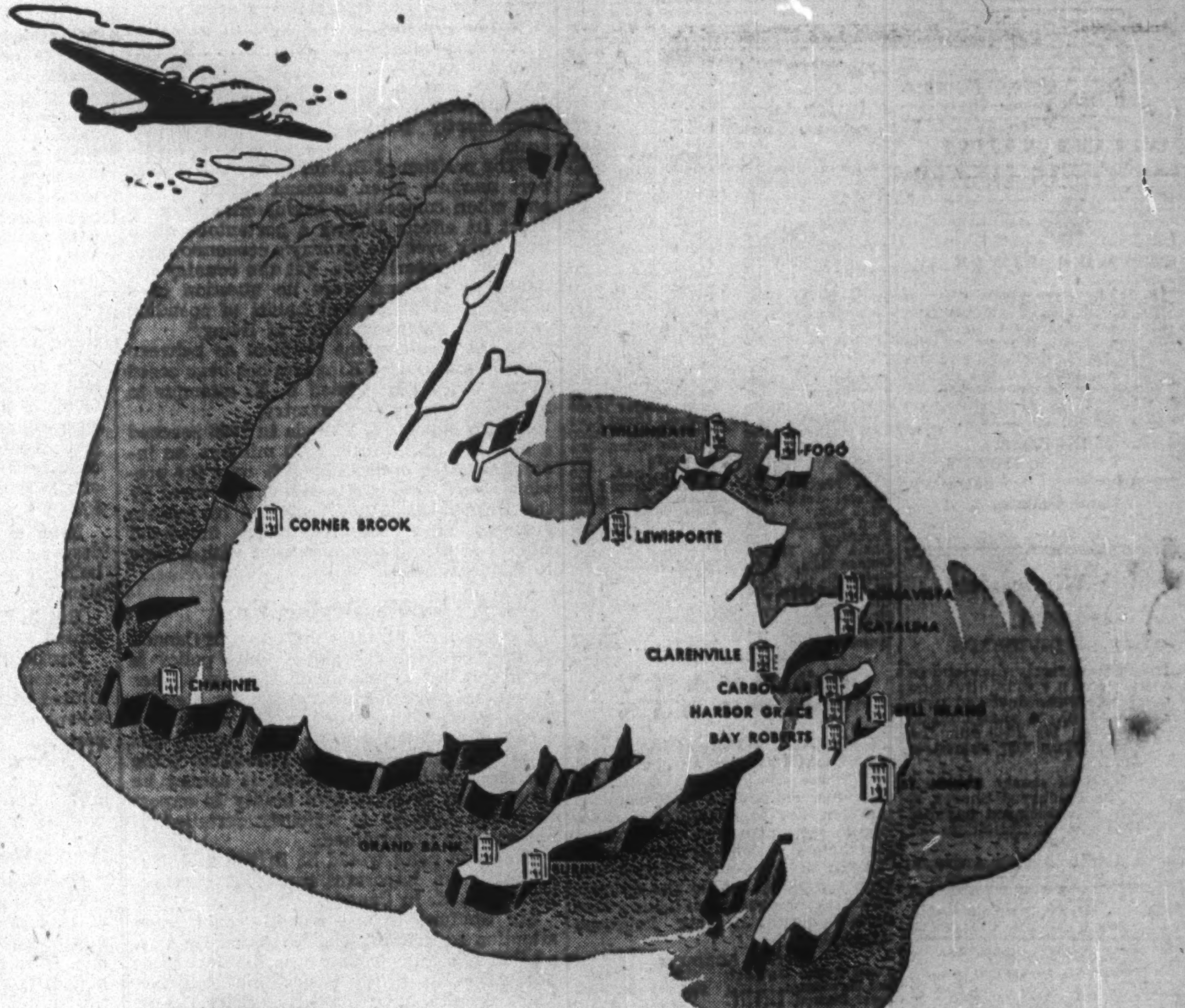

15 BRANCHES IN NEWFOUNDLAND

To Newfoundlanders The Bank of Nova Scotia is just as much a part of daily life as it is to the people of Nova Scotia or British Columbia, or to the tens of thousands of other Canadians in the hundreds of communities which the Bank serves.

The first Canadian bank to establish a branch in Newfoundland, The Bank of Nova Scotia opened at St. John's almost 55 years ago. Today 15 branches serve the banking needs of the people. These branches are part of a world-wide banking service provided through more than 340 branches across Canada and abroad, and through banking correspondents wherever men trade.

THE BANK OF NOVA SCOTIA

$2 Price For Wheat Holds But Loophole May Be Found

OTTAWA (Staff) — Ratification by major countries of the new International Wheat Agreement signed in Washington this week would not affect the $2 wheat price in the 1949-50 U. K. contract.

But it would have very important effect on the "having regard to" clause and the ultimate compensation which Canadian farmers would receive for earlier shipments.

The new world agreement sets a ceiling price for 1949-50 of $1.80 a bushel. Applied to the 140 million bu. Canada has contracted to supply to U. K. in that year, this means a difference of $28 millions.

The British will undoubtedly argue that this $28 millions represents full and fair compensation for the "having regard to" clause covering earlier shipments. Canadians on the other hand will argue this is not an adequate compensation.

Warning of this was given in a recent interview by Sir Stafford Cripps covering the Canadian position. He said:

"We think there is every probability of the world price falling below the $2 level before the end of the contract, either because of general improvement in the supply position or as a condition of any international wheat agreement which may be concluded in the near future.

"If this should be the case, the Canadian farmer will enjoy a favored position by virtue of the fixed price on which we have now agreed. This might prove to be fair compensation for the earlier years when he was selling us wheat at below the world price; it depends of course on how far prices actually fall. In any case we have agreed to discuss this matter further with the Dominion Government some time towards the middle of 1950."

Although Canada ratified the 1948 agreement, it's likely the new agreement will have to go through parliamentary processes all over again. The 1948 pact died because U. S. Congress failed to ratify it.

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 249

NOTICE is hereby given that a DIVIDEND OF TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 30th April, 1949, and that the same will be payable at the Bank and its Branches on and after MONDAY, the SECOND day of MAY next, to Shareholders of record at the close of business on 31st March, 1949. The Transfer Books will not be closed. Toronto, 11th March, 1949.

By Order of the Board.

JAMES STEWART,
General Manager.

THE DOMINION BANK

DIVIDEND NO. 266

Notice is hereby given that a dividend of two and one-half per cent (twenty-five cents per share) upon the paid up capital stock of this Bank has been declared for the quarter ending 30th April, 1949. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second of record of the 14th April, 1949.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 10th March, 1949.

THE BANK OF NOVA SCOTIA

DIVIDEND NO. 318

Notice is hereby given that a Dividend of thirty cents per share on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of 14th April, 1949, and that the same will be payable on and after Monday, the second day of May next, at any of the offices of the Bank in Canada.

By Order of the Board.

H. L. ENMAN,
General Manager.

Halifax, N.S., 15th March, 1949.

DIVIDEND NOTICE

ATLAS STEELS LIMITED

COMMON STOCK

Notice is hereby given that a quarterly dividend of twenty-five cents (25c) per share on the Common No Par Value shares of the Company has been declared and the same will be payable on the second day of May, 1949, to shareholders of record at the close of business on the fourth day of April, 1949.

By Order of the Board,

A. B. HOWEY,
Secretary.

Dated at Welland, Ontario,
March 14th, 1949.

Atlantic Wholesalers, Limited

NOTICE OF DIVIDENDS

The regular quarterly dividend of 10c per share and a special dividend of 10c per share were declared payable April 1, 1949, to shareholders of record March 22, 1949, on the Class "A" and Class "B" shares of the Company.

The regular half-yearly dividend of 2¾% on the Preferred Shares of the Company was declared payable June 1, 1949, to Shareholders of record May 16, 1949.

N. SLATER COMPANY LIMITED

HAMILTON - CANADA

DIVIDEND NOTICE

On February 28th, 1949, the Board of Directors of this Company declared a quarterly dividend of 53 cents per share on the Preferred stock of the Company, payable in Canadian funds, on April 15th, 1949, to shareholders of record at the close of business on April 1, 1949.

They also declared a quarterly dividend of 30 cents per share on the outstanding Common stock of the Company, payable in Canadian funds, on May 2nd, 1949, to shareholders of record at the close of business on April 9th, 1949.

J. G. DAVIES,
Secretary.

March 1st, 1949.

THE SHAWINIGAN WATER AND POWER COMPANY

NOTICE is hereby given that a dividend of thirty cents (30¢) per share has been declared on the no par value common shares of the Company for the quarter ending March 31, 1949, payable May 25, 1949, to shareholders of record April 14, 1949.

By Order of the Board.

J. L. T. MARTIN,
Secretary.

Montreal, March 16th, 1949.

Short Interest Lower on T.S.E.

Semi-monthly short position report of Toronto Stock Exchange as of March 15 shows aggregate short positions, eliminating odd lots, on member firms' books at 481,390 shares of 139 issues, compared with 530,335 shares of 142 issues of Feb. 28.

Largest net changes in individual mining stocks were:

Stock	Change	Stock	Change
Louvicourt	—23,000	Base Metals	—6,000
Silv. Miller	+10,500	Chem. Res.	+7,300
Eldona	—9,500	Goldora	—8,000
Harricana	—10,000	New Jason	—4,500

Largest changes in industrial stocks were:

Stock	Change	Stock	Change
Cub Air.	+3,300	Cons. Paper	—670
Abitibi	—700	Algoma Steel	—675
Imperial Oil	+500	C. Car & Fdry	—400

Here is complete short position:

Stock	Shares	Stock	Shares
Abitibi	700	Imp. Oil	1,200
Algoma Steel	150	Int. Nickel	750
Aluminium	75	Int. Paper	50
Amalg. Lar.	1,000	Int. Uranium	5,500
Anacon Lead	4,000	Kerr-Addison	1,100
Anglo-C. Oil	4,800	Kirk. Gold. G.	5,000
Anglo-Rouyn	1,500	Kirk. Hud. Bay	500
Argus Corp.	1,100	Labrador	2,400
Arjon	1,500	Lake Dufault	4,900
Aumaque	1,000	Lamaque	100
Base Metals	40,500	Laura Secord	165
Bevcourt	2,000	Little L. Lac	1,000
Bralorne	200	Lynx Yk.	1,000
Brand & Mill. A	500	Macassa	2,500
Brazilian Trac.	100	MacDonald	16,500
B. C. Forest	700	MacLeod C.	1,000
B. C. Pulp	10	MacMillan Exp. A	100
Brit. Dom. Oil	1,000	Madsen R L	1,400
Buff. Ankerite	1,800	Magnet Cons.	4,000
Cal. & Ed.	5,400	Malartic G. F.	3,900
Can. Cement	75	McKenzie R L	6,000
Cdn. Brew.	3,750	Mercury Mills	100
C. Car & Fdry.	100	Milton Brick	2,100
Can. In. Alco. Vot.	400	Mining Corp.	800
Cdn. Loco.	100	M. & O. Paper	300
Cdn. Pac. Rly.	3,085	Negus	1,300
Cdn. Vickers	150	New Calumet	2,900
C. W. Lumb.	1,000	New Jason	11,700
Cent. Leduc	2,000	N. Norzone	2,000
Chem. Res.	7,800	Nicholson	22,900
Cheskirk	2,500	Noranda	350
Chesterville	4,800	Normetal	7,800
Chimo	500	Norpick	4,000
Coch. Will.	4,400	North Inca	1,000
Cockshutt Plow	200	Okalta Oil	5,000
Cons. Astoria	500	O'Leary	4,500
Cons. M. & S.	180	Orenada	500
Cons. Paper	900	Osisko	10,000
Conwest	600	Pacific Pete.	7,400
Croinor Persh.	7,500	Pamour	1,300
Cub Air.	3,300	Pan Western	7,000
Davis Leath. A	125	Paymaster	500
Delnite	400	Pend Oreille	500
Detta R. L.	500	Preston E. D.	3,300
Dickens'n RL	12,500	Quemont	600
Diversified	1,000	Roybar	500
Dome	100	Roxana Oil	1,000
Dom. Coal pf.	125	Royalite Oil	100
Dom. Stl. & Co. B	1,600	San Antonio	1,700
Donalda	9,600	Shawinigan	100
Donnacona	600	Sherritt G.	13,600
Duvay	31,000	Silanco	14,000
East Malartic	3,800	Silver Miller	10,500
East Sullivan	5,600	Starratt Olsen	3,500
Elder	2,000	Steep Rock	8,100
Eldona	24,100	Sullivan Cons.	300
Eureka	1,300	Sylvanite	300
Fam. Players	100	Thomp.-Lund.	500
Federal Grain	350	Torbrit Silver	2,800
Fleet Mfg.	400	Trans. Res.	2,000
Ford Motor A	200	Union Gas	100
Frobisher	300	Un. Keno Hill	2,300
Giant. Yk.	10,500	United Steel	100
Golden Man.	4,000	Ventures	600
Goldora	1,000	Waite Amulet	200
Gt. Lakes Pap.	200	Walker, G.&W.	175
Gulf Lead	1,000	Wilt.-Cogh.	31,000
Heath	1,000	Wpg. Electric	1,000
Hollinger	400	Yellorex	4,400
Hudson Bay	325	TOTAL	481,390

Montreal Short Position Down

MONTREAL (Staff) — Montreal Stock Exchange report shows short position on March 15 of 16,270 shares of 41 issues, compared with 18,741 shares of 41 issues on Feb. 28. Chief changes are:

Stock	Shares	Stock	Shares
Aluminum	—375	Dom. Coal B	—325
Can. Car	—625	Inter. Paper	—350
CPR	—1,375	Massey-Har.	—300
Dom. Bridge	+400	Nat. Brew.	+500
		Stand. Chem.	—300

Short position on Montreal Curb Market was 119,153 shares of 25 issues on March 15, against 120,245 shares, 34 issues, Feb. 28. Chief changes are:

Stock	Shares	Stock	Shares
Candego	+3,100	Louvicourt	—3,500
Duvay	—3,500	New Jason	—3,500
Gaspe Oil	+3,000	Trebor	+4,000
		Wilt-Cogh.	—1,000

Actual short positions on both exchanges were:

Montreal Stock Exchange

Stock	Shares	Stock	Shares
Abitibi	1775	Ham. Bridge	200
Abitibi $1.50 pf	200	Howard Smith	200
Algoma	1060	Hudson Bay	400
Aluminium	625	Imp. Tobacco	900
Bathurst "A"	400	Int. Nickel	500
B. A. Oil	175	Int. Paper	725
B. C. Forest	25	Int. Pete	50
Bruck Mills A	25	Laura Secord	165
Bruck Mills B	50	Massey-Harris	400
Bldg. Products	50	McColl Front.	325
Can. Cement	975	Nat. Brew	550
Can. S.S. Com	300	Nat. Steel Car	50
Candn. Brew.	705	Noranda	155
Candn. Loco.	50	Ogilvie	100
C. P. R.	400	Page Hersey	50
Cons. Smelters	440	Price Bros.	825
Dist.-Seagrams	110	Shawinigan	100
Dom. Bridge	450	Stand'd Chem.	100
Dom. Coal B	875	Winnipeg Elec	515
Dom. Stores	75		
Dryden	275		16,270
Fraser	930		

Montreal Curb Market

Stock	Shares	Stock	Shares
Anglo Cn. Oil	4800	Gaspe Oil	4500
Base Metals	1000	Home Oil	308
Belgium Glove	300	Lowney's	100
Bouzan	9500	Macdonald	3240
Can. & Dom. Sugar	600	Minn. & Ont.	50
Candn. Vick.	350	Nicholson	600
Candego	5200	Que. Labrador	1500
Cent. Leduc	1000	Sherritt-Gord.	500
Comm. Alco.	325	Trebor	6500
Cons. Paper	150	United Asbestos	71900
Donnacona	525	West. Grain	100
Duvay	5500		119,153
East Sullivan	500		
Ford "A"	105		

CITY OF WINNIPEG sold $1,350,000 of 1-10 year serial 3% debentures at $102.538 to yield 2.52%, the lowest interest rate ever set for a comparable Winnipeg loan, to a syndicate composed of Dominion Securities, Bank of Montreal, and A. E. Ames. Borrowing is to pay for $1,225,000 local improvements, $75,000 for police station addition, $50,000 for police garage. Issue was all sold privately.

Industrial Growth

Henderson, Barwick

Henderson, Barwick Co., Montreal, final-assembling and servicing the baking industry equipment of Henderson, Barwick and Baker Perkins Inc., Saginaw, Mich., will add 25 workers on completion in May of 10,000 sq. ft. steel and brick addition.

* * *

Donaldson

Donaldson Co. (Canada), Chatham, Ont., 3½-year-old affiliate of Donaldson Co. Inc., St. Paul, Minn., will expand output of air cleaners for autos, trucks, tractors on completion this summer of 5,000 sq. ft., 1 story steel and brick addition now under construction. Frank Funke is general manager.

* * *

Fitwell Glove

Fitwell Glove Mfg. Co., Windsor, Ont. (N. Hurwitz, manager), is reported intending to lease and occupy proposed new factory to be built and owned by Town of East Angus, Que. Cost to be about $50,000, with construction work starting this spring if project details are finalized.

* * *

Galloway

John Galloway Ltd., Kitchener, Ont. (formerly John Galloway Rugs), has moved into larger manufacturing quarters, for time being has discontinued manufacture of scatter rugs to expand output of cotton buffing wheels for metal trade and tarnish-proof rolls for makers and wholesalers of silverware.

* * *

Auto Master

Auto Master Associated Industries, Albert Rakovsky, general manager, Toronto and Terrebonne, Que., recently announced opening of plant at latter point to make paints and chemicals for automotive, sporting goods and household use, including auto touch-up paints in a wide color range, color-pigmented car polish, anti-fog and de-icing solvents for glass, etc. In addition to marketing in Canada, extensive export program is announced. Distribution is through affiliated Manufacturing Associates Ltd., Toronto.

* * *

Montreal Coke

Montreal Coke & Mfg. erecting two 1 million gallon tanks (to store gas oil for manufacture of water gas) and four additional gas purifier boxes. Cost of these units is put at $520,000 and whole expansion program at $2.3 millions. Original plant began operation in 1928, has had for principal purposes production of a Canadian fuel and supplying manufactured gas to Montreal district.

* * *

Bowater's

Bowater's Newfoundland Pulp & Paper Mills Ltd., Corner Brook, Nfld., this month is completing extensions at about $10 millions which will hike daily output to 1,000 tons of newsprint plus 350 tons of sulphite pulp, one of the world's biggest.

* * *

SKD

Smith, Kirkaldy & Dennison Mfg., Amherstburg, Ont., pushes for early May completion of $15,000 concrete, steel and glass addition to expand output of automotive assemblies. Working force will be expanded to 60. SKD is metal stamper and machinist for auto industry, also makes "Rotocut" lawnmowers.

* * *

Lea Mfg.

Lea Manufacturing Co., Waterbury, Conn., manufacturer and specialist in development of production methods and compositions for burring, buffing, polishing, has leased manufacturing space with W. W. Wells Ltd., Toronto, and has Dominion charter as Lea Manufacturing Co. of Canada. Initial production will include high quality greaseless buffing compounds for the Canadian metal fabricating industry. Later, electroplaters' supplies also may be made.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WAITE AMULET MINES showed a slight increase in tonnage milled and metal recoveries in 1948. With higher prices for copper and zinc, earnings climbed to $1.90 a share against $1.15 a share in 1947.

While reserves of Amulet Dufault Mines, the subsidiary, were reduced by 343,000 tons (more than 75% of tonnage milled), Waite Amulet direct reserves were increased by 27,500 tons and exploration has located an important new copper-zinc ore body in the northern part of the Waite Amulet property. Preparations are now being made to sink a shaft for exploration of this new ore occurrence which lies at about 1,500 ft. depth.

Through a deal with Noranda Mines, Waite Amulet purchased 383,000 shares of Mining Corp. in 1948; at year end Waite held 404,000 M. C. shares carried at $5,011,865.

Reflecting the large investment in Mining Corp. shares, not included in current assets, Waite Amulet working capital showed a reduction from $7.7 millions at the end of 1947 to $3.8 millions a year later.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Metal recov.‡	$2,463,087	$2,125,494
Less: Oper. costs	1,551,110	966,912
Net earnings	911,977	1,158,582
Less: Deprec.	27,469	68,394
Tax prov.	237,812	267,379
Legal fees	1,600	1,750
Directors' fees	7,000	7,000
Add: Subs. divd.	5,610,000	2,970,000
Affil. co's. divds.	16,536	......
Net profit	6,264,632	3,784,059
Less: Dividends	4,950,000	2,970,000
Surplus for year	1,314,632	814,059
‡Including miscellaneous income.		
Earnings per Share:		
Earned	$1.90	$1.15
Paid	1.50	0.90

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$671,427	$1,233,210
Bonds & shares*	3,068,183	5,856,944
Accts. rec.	75,863	84,969
Metal due & in hd.	733,402	1,190,552
Stores§	462,847	383,025
Total curr. assets	5,011,722	8,748,700
Prep. & def. chgs.▲	21,931	47,077
Inv. affil. cos.	5,362,665	1
Mining props.	512,764	512,764
Plant & equip.†	267,532	392,767
Total assets	11,176,614	9,701,309
Accts., tax., etc., pay.	355,494	341,280
Am. Dufault Mines	843,574	724,537
Total curr. liab.	1,199,068	1,065,817
Conting. res.	134,922	107,500
Capital stock	3,506,374	3,506,374
Earned surplus♦	6,336,250	5,021,618
*Market value	3,084,819	6,061,128
▲Incl. ref. EPT	......	24,543
♦Incl. ref. EPT	24,544	24,543
†After depr. of	2,265,234	2,148,718
§Incl. in deferred assets in co's. report.		
Working capital	3,812,654	7,682,883

OPERATING STATISTICS

	1948	1947
Tons milled	422,785	393,950
Average contents:		
Copper, %	5.57	5.75
Zinc, %	4.60	3.41
Gold, oz.	0.044	0.056
Silver, oz.	1.52	1.10
Ore reserves, tons:		
Waite Mine	80,000	57,500
Amulet Dufault	1,364,404	1,707,280

METROPOLITAN LIFE INSURANCE CO. at end of 1948 had $39.9 billions of life insurance in force, Glen J. Spahn, vice-president in charge of Canadian head office reports. New insurance effected in 1948, over company's entire operations, was $2.9 billions. Payments on death claims were $263.7 millions; to living policyholders, by matured endowments and annuities, $147 millions; and in disability and health and accident benefits, $59.4 millions. Total assets were $9.1 billions.

More than $38.8 millions was paid to Canadian policyholders and their beneficiaries. (At Dec. 31 Canadian policyholders totaled 2,350,000 insured $2,241 millions.)

Total paid to Canadians since it started business in Canada in 1872, plus amount now invested here exceeds total premiums received from Canadians by over $352 millions. Payments in Canada and U. S. in past 16 years total $9.3 billions, exceeding total assets of $9.1 billions at Dec. 31.

Of the $2.2 billions Metropolitan insurance held in Canada, 57% is owned by ordinary policyholders, 30% by industrial, 13% by group policyholders. New insurance in Canada in 1948 was $205.9 millions.

Investments in Canada on Dec. 31 were $536.7 millions, up $55 millions from 1947.

Surplus of entire company, over and above all liabilities, is $533.9 millions, about 6% of total obligations. This is available as a reserve in case of epidemics, adverse economic conditions, etc.

TOTAL BUSINESS

	1948	1947
	—$000—	
Insurance in force	39,958,518	37,250,000
New insurance	2,904,157	2,895,658
Total assets	9,125,145	8,548,423
Liabs. incl. actuarial reserves	8,591,210	8,010,161
CANADIAN BUSINESS		
Insurance in force	2,241,527	2,083,392
New insurance	205,933	209,635
Invests. in Canada	536,741	480,304
Policy payments	38,815	36,223

COMPANY REPORTS

CAPITAL WIRE CLOTH & MANUFACTURING CO. 1948 net profit was up 8%. The continued high business activity has permitted the company to maintain its earnings in spite of numerous increased cost factors, the annual report states.

Addition to main building has been completed within the estimated cost; new equipment being added should permit further improved operation.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$157,201	$159,927
Less: Deprec.	8,052	11,471
Inc. taxes	59,000	65,000
Net profit	90,149	83,456
Less: Pref. divds.	15,000	15,000
Com. divds.	25,000	25,000
Surplus for year	50,149	43,456
Earnings per Share and Dividend Record:		
Preferred	$9.01	$8.35
Paid	1.50	1.50
Common	3.01	2.74
Paid	1.00	1.00

CONDENSED BALANCE SHEET

As at Dec. 31	1948	1947
Cash	$3,242	$127,476
Accts. rec.	66,027	42,361
Investment†	96,011	62,739
Inventories	204,587	116,178
Total curr. assets	369,867	348,754
Def. chgs., etc.♦	2,368	9,714
Fixed assets	430,880	371,841
Total assets	803,115	730,309
Total curr. liab.	38,908	57,249
Depr. res.	288,519	278,785
Capital stock	100,000	100,000
Earned surplus♦	375,688	294,275
†Mkt. value	173,000	136,000
♦Incl. ref. EPT	322	7,303
Working capital	330,959	291,505

DIVIDEND NOTICES

NEW CALUMET MINES LIMITED

(No Personal Liability)

DIVIDEND No. 2

NOTICE IS HEREBY GIVEN that a dividend of 5 cents per share has been declared by the Directors of New Calumet Mines Limited (No Personal Liability), payable in Canadian funds on April 28th, 1949, to shareholders of record April 19th, 1949.

By Order of the Board.

W. B. MALONE,
Secretary.

Toronto, Ontario,
March 22, 1949.

The Marshall Plan Boomerangs

(Continuer from page 15)

The Economist (London) in a recent issue said:

"Prices may be falling on the world's markets, but the price of British imports continues to rise because British purchases have been concentrated, for currency reasons, on the dearer markets. And because many basic imports are bought on long-term contracts or bulk purchase arrangements which are very slow to reflect a fall in prices.

"Britain, in fact, is in danger of becoming a permanent high-cost importer . . . Even if domestic subsidies play some part in checking the rise in wage costs—which is extremely doubtful—this country is becoming permanently burdened with high export costs.

"The position of Britain in the world's export markets when demand begins to fall and when competition begins once again to exert its effects throws a portentous question mark over the country's economic prospects in the early 50's. Yet the country behaves as if there were no question of a challenge to its present habits of spending or to its present standard of living."

At the moment, the problem as between Canada and United Kingdom has been eased by the sincere if belated U. K. attempts to boost exports to this country.

British exports to Canada in 1948 reached a new record figure of $300 millions, an increase of $110 millions or 58% over the previous year. Top-flight missions, sponsored by the British Board of Trade and by private business have recently made first-hand studies of the Canadian market with a view to further sales.

Trade Drying Up

For the present, the chief effect in Canada of the "two worlds" picket fence policy is being felt in a drying-up of trade with other nondollar countries and especially sterling areas where Canada before the war was a traditional trader. But if, as is feared, this spiral of rising costs and restrictive trade barriers continues to mount, it cannot be long before Britain's own ability to export to North America is seriously curtailed, if not entirely undermined.

A case in point would be British coal, traditionally an important source of earnings for the U. K. in Canada.

Sir Stafford Cripps recently paid some attention to Britain's coal problem. He stated that the chief trouble was the decline in production in South Wales and that last year, despite this difficulty, Britain sent Canada 70% of her total exports in the special sizes we require. He indicated that we would be in line for a larger share this year "provided mutually satisfactory arrangements can be made about price."

But it's price, of course, that is the rub.

Despite a British subsidy on coal production, U. K. anthracite is selling at several dollars a ton higher than comparable grades of U. S. anthracite. It is reported that some of the coal which Britain sent Canada last year is still unsold because of the high prices.

Problem of U. K. Coal

Coal used to be a big source of earnings for Britain in Canada. In 1938 we bought a million and a quarter tons of Welsh anthracite. Last year the U. K. hoped to send us 200,000 tons, actually shipped 160,000 tons. This year, it's said the U. K. would like to double that amount. The Government is sending an expert here to negotiate new sales for 1949-50.

But Canadians won't pay unduly high prices. Many thousands have already changed their equipment so that they can burn oil instead of coal. And fuel oil prices are dropping.

Yet there are fears that Britain may actually have to charge more for her 1949 shipments.

Again, a quotation from Mr. Towers:

"If efforts on the part of the sterling area and ERP countries in the direction of greater exports to dollar countries are inadequate or fail to solve their dollar problem, then it may be expected that these countries will continue to place special restrictions on imports from dollar countries.

"The countries whose exports are affected by these restrictions will be confronted with the choice of finding some alternative use, at home or in other foreign markets, for the goods previously exported to the dollar-short countries or making special arrangements in an effort to retain these markets.

"These arrangements could involve the provision of the exports without payment in foreign exchange, through the extension of grants or credits, or special deals in which the exporting country agreed to use the proceeds of its exports to take more goods from its dollar-short customers even though these goods were higher in price than had to be paid elsewhere. To make room for these relatively high-priced imports it would be necessary to impose discriminatory import restrictions."

For Canada, of course, such an outcome would be almost catastrophic. We have a foot in both these worlds. As well, we have a far greater stake, proportionately, in world trade than any other country on earth.

To illustrate: Last year, Canada, Britain and the United States all reported new high levels of national income and production. In each country, foreign trade was at or near record peaks. Yet, in the United States, the country with by far the largest foreign trade of all three nations, exports represented only 5% of the national income.

Even in Britain, where trade lifelines are desperately important to the national well-being, exports represented only 15% of national income last year.

But in Canada, our exports in 1948 represented 23% of national income.

Furthermore, three quarters of Canada's overseas trade is with Britain or with United States. These are the two big baskets where our trade hopes—and troubles—now rest.

So long as the currencies of these two nations—the dollar and the pound—were freely convertible, Canada had few trade worries or fears.

Outlook Not All Black

Fortunately, the outlook is not all black.

There has been considerable satisfaction at Britain's recent decision to purchase 90 million board feet of spruce in Eastern Canada. This is half as much again as Britain bought last year when she obtained substantial supplies from nondollar sources. Prices are lower than they were a year ago, but are still satisfactory to Canadian suppliers.

In this instance, Britain is returning to a traditional source of supply.

Perhaps the lumber deal is a hint of better things to come. But at the moment the overwhelming weight of evidence points in the other direction.

What can we do about this?

Do we in Canada try to "sit it out"; watch our trade dry up before our eyes?

Mr. Towers, in his Vancouver speech last week said "There is no easy financial device by which the difficulties can be overcome." He suggested that a country whose traditional customers can no longer make purchases in their accustomed volume can

(1) Try to find alternative markets for its goods;
(2) Try to employ in domestic activities the labor and materials which the export trade can no longer use;
(3) Help its traditional customers to obtain their supplies by extending loans or making gifts. (Even if loans are a sensible policy in a period of reconstruction, they can hardly be regarded as a permanent solution);
(4) Encourage the maximum amount of imports from nondollar countries;
(5) Adopt bilateral trade deals ourselves.

Why Canada Shuns Barter

So far, Canada has avoided direct bilateral trade agreements with other countries. The single exception is the Canada-U. K. wheat deal and the yearly agreements to supply U. K. with bacon, cheese and other foodstuffs.

One argument for avoiding such deals is that Canada is in a surplus position with most nondollar countries, but most bilateral deals in the end even out trade between the two parties so we would lose out. We're afraid therefore that the end result of large scale bilateral trading would be to bring our trade-in balance—but at the disastrous cost of loading Canada with millions of dollars of nondollar purchases at prices far out of line with those of our own economy.

The end result of such a policy would likely be one of two alternatives: (a) huge government subsidies to enable these high-priced goods to be sold at competitive prices to Canadian consumers;

(b) a system of embargoes and controls aimed to isolate us from lower-priced American goods and which sooner or later might put us, in part at least, behind the high-cost nondollar "picket fence."

As indicated recently in the FECB annual report, the Government is presently encouraging private barter deals wherever private business can find an opening behind the nondollar trade curtain. But there's a fine and firm distinction between these deals and those in which the Government would get itself officially involved.

One final alternative, not mentioned by Governor Towers or indeed by any officials either in Ottawa or Washington, is currency revaluation.

One political party in Canada is urging that Canada revalue its currency.

As Mr. Abbott pointed out during the Parliamentary debate last week, a lower price for the Canadian dollar in terms of the U. S. dollar would make it still harder for Britain and other nondollar nations to sell to us. A British manufactured article which now costs $100 would, after a 10% devaluation, cost $110. And that is just the opposite of what we need to do at this juncture.

Devalue Pound, Franc?

What would, for Canada, be helpful is "nondollar" currencies, devaluation of the pound, the French franc and so forth. This would help smash down the barriers which are splitting the democratic world into two, each with its own price plateau.

Why does Britain wish to hold the present level of the pound?

For one thing, she has been able to market all her exportable surplus either in dollar or nondollar markets. At the same time, she's getting what raw materials and other imports she requires from dollar sources, at prices which are lower than those she would have to pay if she devalued the pound.

Devaluation of the pound, under such circumstances, is the last thing U. K. wants.

How long can Britain and other nondollar countries continue to hold their present currency levels?

Nobody knows.

But the fear that is properly held in Ottawa and Washington is that the network of bilateral deals now in force may permit U. K. and other nondollar countries to isolate themselves almost indefinitely from the normal consequences of an over-valued currency..

This then is the "boomerang" of Marshall aid—the economic "feet of clay" to present high hopes for Anglo-Saxon political partnership.

The best efforts and intentions of North America to achieve European recovery and eventual "convertibility" of dollar and nondollar currencies are not going to be, it seems, good enough.

The stimulus of Marshall aid is driving Europe into its own trade shell—not out of it.

Right now only a few are acutely conscious of this danger and its fatal implications to multilateral world trade.

Very soon, the implications of this situation will dawn in the minds of millions of people in North America whose livelihood and well-being depend upon the outcome.

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CANADA

Canadians Scan North Africa

Morocco is New Mecca for Mining and Metals

By RONALD WILLIAMS

It used to be that about the only thing men went to Morocco for was to get away from love or the law by joining the Foreign Legion.

The fact that there is no income tax to pay and natives can have as many wives as they can afford has hardly made a dent in the population of Europe and America.

Today Morocco is developing into something of a Mecca. One of the newest and biggest attractions is the country's undeveloped mineral resources.

This is what recently took two of Canada's top construction engineers, Robert (R.M.P.) Hamilton, president of General Engineering (Canada) Ltd. and H. L. Tamlin, also of General Engineering, to the land of the Moors, Riffs and Berbers.

They came back from their five-week trip with their eyes opened to the potentiality of Morocco. They feel the country has tremendous possibilties. There are good iron ore deposits, lead, zinc, copper, tin, manganese, molybdenum, lime and coal.

Canadians Diamond Drilling

Morocco has always had limited mining operations. But since the war, development has boomed. Some Canadians are already there. Half a dozen Canadian diamond drilling crews are at work. Several million-dollar programs are under way.

Like most of the other fast-growing mining ventures in Morocco, the project Hamilton was called in on is financed by French interests with limited U. S. investment.

Project is a lead-zinc, discovered and worked by Romans 2,000 years ago; old Roman ruins are still there. After lying idle for centuries, today it is producing 1,000 tons a day; goal is 5,000 tons.

General Engineering's job was to survey the situation before designing a plant. It is expected the mine and plant will eventually represent an investment of several million dollars.

The two engineers wanted to find out first hand about labor, availability of materials, transportation, climate, living conditions, customs and shipping, etc.

Back 2,000 Years in 30 Hours

It took just 30 hours air time to cross half the world from the newest civilization to one of the oldest. "This contrast between the old and the new is perhaps the most striking feature of Morocco, said Mr. Hamilton in an interview with The Post on his return.

Everywhere you go the old and the new are constantly before you. When they got off the plane, (a DC3 reconverted at Canadair in Montreal), just 30 hours from Malton, they saw an Arab village exactly as Arab villages were 2,000 years ago. Yet nearby was a modern steam-powered electric generating plant and, running by it, a fine, two-lane highway and a first-class airport.

In the cities you find ultra modern buildings backing up against native quarters that have not changed in hundreds of years. In the European sections of Rubat, the capital; or in Casablanca, there are hotels, stores and homes as fine as in any Canadian city. From them you can throw a stone into the grass and mud huts in the native quarter.

The contrast extends to living conditions. Life in the European sections is much the same as in Canada or in France. Living costs are about the same but wages slightly lower. There are about 200,000 Europeans, six or seven million natives.

Labor Rate 10c an Hour

Native labor is plentiful but turnover is high. As soon as a native gets a grubstake, he packs off for the country to be a farmer. The labor rate is about 10c an hour, less for servants, slightly more for mechanics. In rural areas, where natives can raise goats and sheep and grow their own food, this isn't too bad. But in the native quarters in the cities, life is hard.

Building materials are mostly limited to those produced domestically. This explains the stone, tile and stucco construction of most buildings. All are easy to obtain. Furthermore, native labor is unfamiliar with any other type of building material. Walls are of stone, faced inside and out with stucco. Inside walls are then hung with rugs or drapes in the true Moroccan manner.

Even in the best houses hardwood floors are unknown. Usual flooring is tile because it's easier to wash.

Previously, if a building required steel it had to be imported. Today Morocco has its own steel fabricating plant; also a large electric-equipment factory, several electric plants—both hydro and steam—and a first-class cement plant, besides numerous small factories. Casablanca has excellent harbor facilities.

For a country just emerging from the past, Morocco has excellent transportation. Many of the roads are wide and well-paved. Most cars are French, with a few American. Gasoline is 45c a gallon and strictly rationed.

Many new highways were built by the French Army as a military project. Since peace was established with the Arabs, Morocco has been a military operating base for France in running her empire.

To all intents and purposes French Morocco (there's also Spanish Morocco and an international zone) is ruled as a French colony. Newspapers are censored, travel rigidly supervised, imports and exports controlled by permit. Investments are almost entirely of French origin.

Most natives are illiterate. Authorities figure it will take two or three generations to bring them anywhere close to the lowest European standards. The tribal system is still their law. Women still do most of the work, often to pulling a plough. Except for some men, they dress today as they did hundreds of years ago. Women still cover their faces on the streets.

Morocco is essentially an agricultural country: Natives grow hard wheat, barley, beans, lentils, chick peas, flax, hemp. The Berbers, once the fiercest of the Arab tribes, are orchard-growers, raising olives, figs, oranges, almonds and pomegranates.

A real attempt is now being made in the French zone, at least, to lop off some of this agricultural top-heaviness by developing primary and secondary industries, says Mr. Hamilton.

RICHARD E. DWOR

has been elected president of Canadian Secondary Materials Association.

Enamel & Heating Prod. Range To Be Made in South Africa

Arrangements have recently been completed between Enamel & Heating Products Ltd., Sackville, N.B., and H. Goldberg, president of Ellis Furnishers Ltd., and A. G. Jorgensen of Lewis Appliance Corp. of Johannesburg, South Africa, for the manufacture of one of Enamel & Heating Products export model ranges in South Africa, the company announces.

For the past 16 years Enamel & Heating Products has exported large quantities of ranges to the two firms. Recent restrictions in South Africa forbid further importation of ranges.

The two South African firms have therefore decided to manufacture these ranges in South Africa under a licensing arrangement with Enamel & Heating Products. Several Enamel & Heating employees will go to South Africa soon to assist in production there, it is stated.

Alberta Legislature Probes Insurance Co.

From Our Own Correspondent

EDMONTON—Canada West Insurance Co. a newly-formed Alberta insurance company, is under investigation, according to Hon. C. E. Gerhart, provincial secretary. The question was raised in the legislature by Arthur Wray, (Ind. S.C., Banff-Cochrane).

Gerhart also admitted that A. K. Olive, superintendent of the Alberta Treasury Branches, was a director in the insurance company. Wray asked if it was considered good policy for Olive to be associated with the company. He also asked if the government intended to renew the company's license which expired some time ago.

Gerhart said that since the company was under investigation it would be unfair to divulge any more information at this time. He added that all precautions were being taken to protect policy holders.

DISCOVERY YELLOWKNIFE MINES has received payment for March 10 installment of 75,000 shares at 25c a share under agreement with Tidewater Securities. Issued capital is 4,124,800 shares,

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MANAGEMENT CONSULTANTS

BOLIVAR MINES is a newly formed company which has secured the Zuelvan Caras and La Compencacion mining concessions near Tumeremo, State of Bolivar, Venezuela. The property is located about 100 miles east of Guayana. Production of 21,721 oz. gold from 12,044 tons of ore is reported to have been secured by crude methods entailing heavy losses in past work. A. D. Hellens, mining engineer, has reported values greatly exceeding an ounce over mineable widths on two zones with an aggregate length of 622 ft. which he was able to sample, the company reports.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

TRADERS FINANCE CORP. 1948 net profit was up 41.4%. Total volume of receivables acquired by parent company, and consolidated net income, were larger than in any previous year; these results were obtained despite rates of finance charged in all categories being lower than in 1939, annual report states.

Sales herewith of durable goods on installment plan is increasing in relation to total sales. Volume of receivables acquired in first two months of 1949 is considerably greater than in same 1948 period.

Wholly-owned subsidiary Trans-Canada Credit Corp., is engaged in making personal and other loans to public. Two subsidiaries, Canadian General Insurance Co. and Toronto General Insurance Co., underwrite automobile, fire and miscellaneous casualty insurance.

Since acquisition of controlling interest in 1939, combined earned premiums, less reinsurance, to Dec. 31, 1948, were $21,727,055, with an overall loss ratio of 42.56%. Last year net earned premiums were $3,276,161, with continuing favorable loss ratio of only 41.78%.

On the $459 millions of receivables purchased in past 12 years by Traders Finance Corp., loss has been less than 1/10 of 1%.

Canadian Insurance Shares Ltd., subsidiary, and holding company for Canadian General Insurance Co. and Toronto General Insurance Co., received $108,124 income in 1948. After expenses, $107,814 was carried to earned surplus account. Company received dividends of $102,417 from two companies — $56,906 from Canadian General Insurance Co. and $45,511 from Toronto General Insurance Co.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net income	$2,601,616	$1,715,068
Less: Deb. int., etc.	902,929	575,426
Income tax res.	604,620	369,923
Minority int.	109,104	70,499
Appr. sundry res.	10,321	7,983
Add: Prof. on secs.	28,885	18,474
Net profit	1,003,527	709,711
Less: Int. on rights	19,716	19,716
A pref. divds.	157,498	143,967
Com. divds.	143,857	71,929
Surplus for year	682,456	474,099
Earnings per Share and Dividend Record:		
Rights: Earned	$50.62	$35.80
Paid	1.00	1.00
4½% Pref.: Earn.	33.37	23.41
Paid	4.50	4.50
A & B: Earned	†4.79	†3.16
Paid (new)	0.25+0.25	....
Paid (old)	1.00	1.00+0.25

†After 3-for-1 stock split in Nov., 1948.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$1,713,540	$3,419,162
Marketable secs.*	5,015,345	4,426,460
Accts. rec.	35,648,638	28,946,564
Sundry loans	1,997,078	1,372,675
Total curr. assets	44,374,601	38,164,861
Subs. inv. & adv.§	199,179	221,242
Equipment, etc.	141,281	150,450
Total assets	44,715,061	38,536,553
Bank loan (sec.)	15,517,036	13,211,660
Accts., tax., etc., pay.	1,333,968	863,879
Dealers' res., etc.	856,607	514,422
Total curr. liab.	17,707,611	14,589,961
Funded debt	13,950,000	12,083,562
Mortgages pay.	3,317	3,501
General reserves	1,673,039	1,626,992
Min. int. in subsids.	598,987	502,661
Unearned chgs. res.	3,371,945	2,944,609
Capital stock	3,005,343	3,005,343
Earned surplus§	4,404,819	3,779,924
*Market value	5,068,634	4,513,745
§Incl. ref. EPT	9,150	14,250
Working capital	26,666,990	23,574,900

CANADA WIRE & CABLE CO. net profit was off 8%. Level of earnings in both 1947 and 1948 are tempered by fact that inventory gains, after taxes, accounted for about $300,000 in 1948 and $700,000 in 1947. Because of this and commodity prices seeming to have reached their peak, $1 million has been withdrawn from surplus and set up on balance sheet as provision against possible inventory losses.

Inventory at year end stood at $5,059,000, compared with $4,515,000 for 1947. Continuing high volume of business makes it difficult to reduce this materially, President James Y. Murdoch states. At date of report, 1,887 people were employed compared with 2,214 in 1947.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Total net income	$2,840,090	$3,502,930
Less: Taxes	798,292	1,489,859
Depreciation	419,661	285,679
Deb. int.	88,238	90,000
Pension fund	169,128	162,875
Net profit	1,364,771	1,474,517
Less: Cl. A divd.	118,672	118,672
Class B divd.	225,996	301,328
Surplus for year	1,020,103	1,054,517
Earnings per Share and Dividend Record:		
Class A	$46.00	$49.70
Paid	4.00	4.00
Class B	8.27	9.00
Paid	1.50	2.00

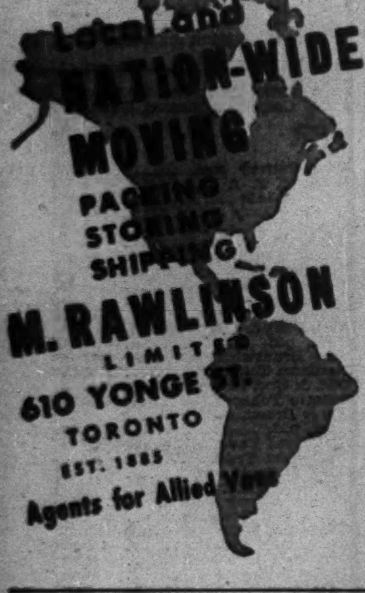
CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$543,555	$847,646
Investments‡	9,115	27,115
Accts. rec.	4,232,257	2,542,308
Inventories	5,059,192	4,514,762
Total curr. assets	9,844,119	7,931,831
Misc. assets▲	103,515	890,052
Fixed assets*	2,021,149	1,686,315
Total assets	11,968,783	10,508,198
Accts. pay.	1,999,795	1,478,576
Prov. for taxes	616,229	595,665
Debents. due	150,000	150,000
Total curr. liab.	2,766,024	2,224,241
Funded debt	2,700,000	2,850,000
Inventory res.	1,000,000	......
Res. for reels	267,122	252,914
Capital stock	1,575,000	1,575,000
Surplus■	†3,660,637	3,606,043
*After depr. of	4,071,558	3,720,587
‡Market value	8,939	31,040
▲Incl. ref. EPT	48,315	330,196
■Incl. ref. EPT	336,157	463,154

†After $1,000,000 provision for inventory res.

Working capital	7,078,095	5,707,590

LAKE LINGMAN GOLD MINING CO. has granted 60-day extensions on all installments under its agreement with Wedlake Interests, including installment of 150,000 shares at 50c due March 11.



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The case of the missing executor...

It's a natural impulse to name a close personal friend the Executor of your estate.

But there are obvious difficulties which can and do arise when the whole responsibility for looking after your affairs rests on the shoulders of one individual.

Not the least of these are such personal factors as ill-health, old age, absence, the competing demands of his own business or profession.

When problems arise—when decisions must be made affecting your estate—will he be readily available . . . And will he give competent service?

With Montreal Trust serving as your Executor, such a situation cannot arise. It is one of the many safeguards provided by our corporate services. May we discuss them with you at your convenience?

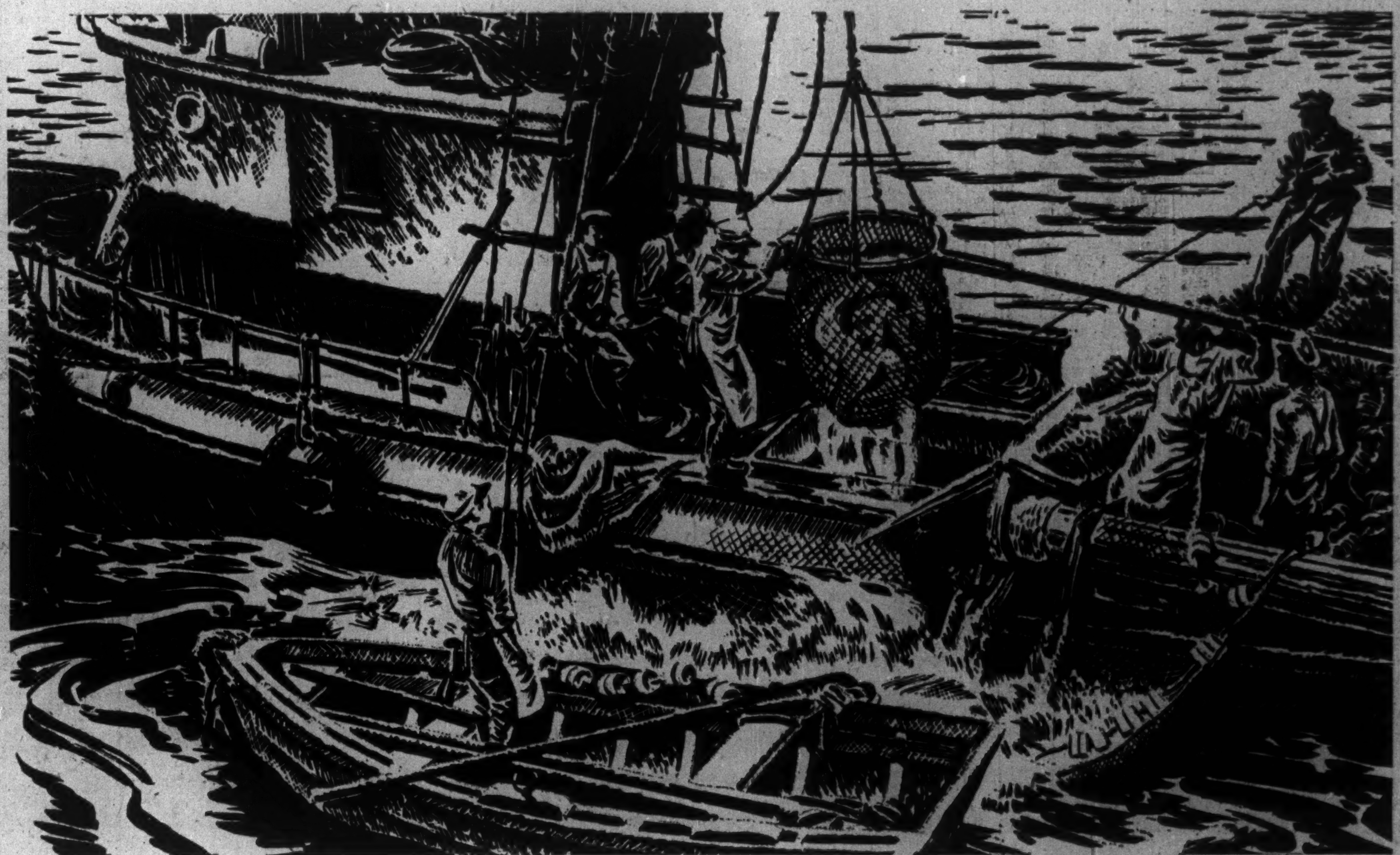
Capital, Reserves and Surplus in excess of $7,500,000

MONTREAL TRUST
Company

511 Place d'Armes, Montreal

HALIFAX TORONTO WINNIPEG EDMONTON
CALGARY VANCOUVER VICTORIA CHARLOTTETOWN
ST. JOHN'S, NFLD. LONDON, ENG. NASSAU, B.W.I.

CANADA PRODUCES SOME OF THE WORLD'S FINEST SALMON



When you taste salmon, exceptionally delicious and delicately flavoured, chances are it comes from the silver hordes spawned in the mighty Fraser and other mountain rivers of Canada's Pacific Coast.

Why Seagram's sells Canada first

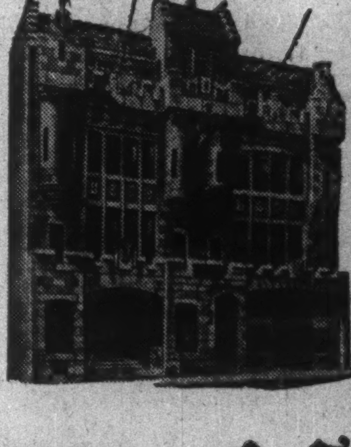
This is an adaptation of one of a series of advertisements designed by The House of Seagram to promote the prestige of Canada and help sell Canadian products to the markets of the world.

The campaign is appearing in magazines and newspapers published in various languages and circulated throughout the world. The peoples of many lands are told about the quality of Canadian products and see Canadian scenes illustrating these products.

The advertisements are in keeping with the belief of The House of Seagram that the future of each business enterprise in Canada is inextricably bound up in the future of Canada itself; and that it is in the interest of every Canadian manufacturer to help the sale of *all* Canadian products in foreign markets.

◆ ◆ ◆

A campaign such as this not only helps Canadian industries but also puts money in the pocket of every Canadian citizen. One dollar of every three we earn comes to us as a result of foreign trade. The more we can sell abroad the more prosperous we will be at home. It is with this objective that these advertisements are being produced and published throughout the world.



The House of Seagram

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MARCH 18

Range 1948-49 High	Low	Div Mar18 R'te $	Y'ld %		Sales	Last Mar. 11	Week end. Mar. 18 H	L	Cl'se
19⅞	12½	■.25	...	Abitibi, new	5709	15½	15⅞	14⅞	15½
21½	17½	1.50	7.6	Do. $1.50 pf.	2850	19⅜	19⅝	19⅜	19⅝
39	35½	2.50	6.6	Do. $2.50 p n	100	37½	38	38	38
25	16½	1.00	4.4	Acadia Atlan A	250	22½	22½	22½	22½
103	97	5.00	5.0	Do. 5% pref.	20	100	100½	100½	100½
13	9	1.00	9.1	Acme Glove	3030	10½	11½	10	11
10	7½	■.15	...	Agnew Surp.	295	9	9	8½	8½

Range 1948-49 High	Low	Div Mar18 R'te $	Y'ld %		Sales	Last Mar. 11	Week end. Mar. 18 H	L	Cl'se
17½	16	■1.00	..	Gen Products A	200	17	16½	16½	16½
17½	14	.80+†.20	..	Gen. St. Wares	375	14½	14½	14	14
106½	99	5.00	4.9	Do. pref.	100	101½	102	101½	101½
120	95	†7.50	..	Goodyear Tires	30	96	96	96	96
53½	49	2.00	3.9	Do. pref.	50	52	52½	51½	52
11	9½	.50	5.3	Gor MacKay A	115	10½	9½	9½	9½
20½	18	1.00	5.3	Grafton A	20	19	19	19	19
20½	14	1.60	10.8	Gt. Lakes Pap.	1216	14½	15	14	14¾
45	38	2.50	6.3	Do. A pref.	82	40	39½	#38½	39½
18	10	1.00	6.2	Gt. West Coal.	300	16½	16½	16½	16½
5	4	.20+†.05		Greening Wire.	115	4½	4	4	4
17½	13	1.00+■.25		Gypsum Lime	670	15½	15½	15	15½
15½	8½		...	Halifax Insur.	200	8½	9	8½	9
9½	6	‡.50	...	Ham. Bridge	121	8½	8½	7	7
16	13	.90	6.7	Ham. Cot.	50	13½	13½	13½	13½
12½	9½	.80+■.10	...	Harding Carpet	1196	10	10	9½	9½
.35	.20		...	Hillcrest Coll.	400	.30	.20	.20	.20
7½	5	†.10	...	Holden Mfg. B	25	5½	5	5	5
53½	23½	2.00	7.4	H. Smith Pap.	388	28½	28½	27	27
49	44	2.00	4.4	Do. pref.	17	45	46	45½	45½
22½	18	1.25	6.9	Humberstone S	20	19	18	18	18
10½	6½	■.10	...	Hunts A	180	7	7	6½	7
116	110	5%	4.3	Huron & E Mt	10	116	116	116	116
29	23½	1.20	4.4	Imperial Bk.	325	28½	28½	27½	27½
20	14	.50	2.8	Imperial Oil	10369	18½	18½	17½	18
14½	12	.40+■.20	4.0	Imperial Tob.	2370	13½	14	13½	13½
26½	24	1.00	4.0	Do. 4% pref.	530	25½	25½	25½	25½

Range 1948-49 High	Low	Div Mar18 R'te $	Y'ld %		Sales	Last Mar. 11	Week end. Mar. 18 H	L	Cl'se
8½	6	.40	6.2	York Knit A n	395	7	7½	6½	6½
4½	2½		...	Do. B new	775	3	3	3	3
45	34½	2.00	4.9	Zellers	290	43	41	41	41
27½	24½	1.25	4.9	Do. 5% pref.	10	25½	25½	25½	25½
29	27½	1.50	5.4	Do. 6% pref.	35	28	28½	28	28

*On arrears. ▲N. Y. funds. †Paid in 1948. ‡Net after income taxes. •Dividend deferred. ‡‡For each 20 shares held. ▲▲Participating div. ††Plus special dividends of $70 per sh. on 1927 issue and approx. $2.10 per share on 1939 issue. ♦After stock split. ■Paid or payable in 1949. ♦Plus extras. ‡Plus payments on arrears.

BUSINESS BAROMETER

	MAR.	FEB.	JAN.	DEC.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total expend.	....	....	....	170.3	182.8
Dom. total revenue	....	....	....	220.2	222.7
MERCHANDISING					
■Dept. store sales (3)	+3	+10	+13	+18	
■Country store sales (3)	....	....	....	+6.7	....
■Retail store sales (3)	....	....	....	+13.5	....
■Wholesale sales index (no.) (1)	....	....	243.2	262.1	244.2
FINANCE					
■Dividend payment index (1) (5)	217.5	215.7	215.9	211.8	194.5
Money supply (millions $)	....	....	4,162	4,335	3,818
NEWSPRINT CAPACITY					
Production ratio	....	....	102.2	102.4	96.6
Shipment ratio	....	....	88.5	107.9	92.1
RAILWAY FREIGHT LOADINGS					
■Tons (D.B.S.)	....	207.6	201.2	197.2	207.6
■Cars (D.B.S.)	....	161.7	163.0	166.3	159.6
COST OF LIVING					
D.B.S.	....	159.5	159.6	158.9	150.1
EMPLOYMENT INDEX					
All industries	....	....	197.8	204.3	193.7
Manufacturing	....	....	202.8	207.9	199.9
Payrolls (June 1/41=100) (2)	....	....	205.1	218.0	178.3

	1948-49	1947-48	1948-49 Jan. 1 to date	1947-48	% Change
RAILWAYS—(000's omitted)					
■Carloadings (week Mar. 12)	74.2	74.6	723.9	730.4	—0.9
C.N.R. gross rev. (Jan.)	37,309	34,002	37,309	34,002	+9.7
C.N.R. net rev. (Jan.)	—1,488	—561	—1,488	—561	—165.2
C.P.R. gross rev. (Jan.)	27,767	24,926	27,767	24,926	+11.4
C.P.R. net rev. (Jan.)	—301	103	—301	103	—392.2
IRON AND STEEL PRODUCTION (000's omitted) (Jan.)					
Pig iron production (tons)	183	160	183	160	+14.4
Steel production (tons)	285	257	285	257	+10.9
CONSTRUCTION (000's omitted)					
Contracts awarded (Jan.)	72,792	34,153	72,792	34,153	+113.1
Cement prod., bbls. (Jan.)	1,122	1,008	1,122	1,008	+11.3
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Jan.)	1,468	1,901	1,468	1,901	—22.8
■Flour exp., bbls. (Feb.)	644	770	1,648	1,781	—6.4
■Wheat exp. bush. (Feb.)	11,313	7,280	25,138	18,781	+33.8
Cattle sales (Feb.)	94.9	108.2	217.3	260.0	—16.5
Hog sales (Feb.) (4)	302.1	465.2	636.4	1,055.2	—39.7
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Jan.)	37.1	110.3	37.1	110.3	—66.4
Landed value (Jan.)	1.5	2.4	1.5	2.4	—37.5
NEWSPRINT (000's omitted)					
Production (Jan.)	386	372	386	372	+3.9
Exports, tons (Jan.)	376	347	376	347	+8.3
MINING AND OILS (000's omitted)					
■Coal prod. (tons) (Feb.)	1,673	1,155	3,501	2,551	+37.2
Gold prod. (fine oz.) (Dec.)	327	275	3,528	3,070	+14.2
Petroleum prod. (brl.) (Dec.)	1,248	760	12,368	7,729	+60.2
ELECTRICAL POWER OUTPUT (000,000's omitted) (Jan.)					
Total monthly kwh	3,697	3,754	3,697	3,754	—1.5
FOREIGN TRADE (millions of $)					
■Imports (Jan.)	223.8	206.1	223.8	206.1	+8.6
Exports (Jan.)	237.0	235.4	237.0	235.4	+0.6
FINANCE (millions of $)					
Bank debits (Jan.)	6,929	6,491	6,929	6,491	+6.7
Bond sales (Feb.)	228.3	598.6	338.1	733.5	—45.7
Life insurance sales (Jan.)	106.6	99.0	106.6	99.0	+7.6
OTHER INDUSTRIAL FACTORS (000's omitted)					
OTHER INDUSTRIAL FACTORS (000's omitted)					
■Shoe prod. (Jan.)	2,529	2,451	2,529	2,451	+3.2
Cigarette cons. (no.) (Jan.)	1,262	1,338	1,262	1,338	—5.7

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago; latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt Thomson, etc.
■New items for week.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Corp. and Kamm, Garland & Co.)

March 21, 1949

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.75	10.75
Do. pfd.	43.50	45.50
Beauharnois L. H. & Pr.	14.50	15.50
Beauharnois Power	4.00	....
Brinton Peterboro Carpet	90.00	....
British Mtge. & Trust	180.00	195.00
B. C. Sugar	87.00	90.00
Brockville Trust $50 par	59.00	....
Candn. General Invest.	15.75	16.50
Candn. Invest. Fund	4.45	4.90
Can. Investors Corp.	7.50	8.50
Candn. Motor Lamp	11.50	12.50
Can. West. Nat. Gas pfd.	18.25	19.25
Capital Wire Cloth com.	13.50	....
Do. pfd.	25.00	....
Chase, A. W. units	51.00	....
Colonial Steamships com.	99.00	104.00
Commercial Finance com.	16.00	....
Commercial Life 10% pd.	9.00	....
Commonw'lth Inter. Corp.	3.26	3.58
Confed. Life 30% pd.	160.00	....
Cons. Div. St. ec. pfd.	14.50	16.50
Continental Life 20% pd.	43.00	....
Cooksville A	11.00	13.00
Do. B	4.75	5.75
Corporate Investors	8.07	8.65
Cuban Can. Sugar com.	3.00	3.75
Detroit Intl. Bridge	14.00	15.50
Dover Industries Ltd.	11.25	12.50
Dunlop Tire pfd.	24.50	25.50
Dupuis Freres pfd.	23.75	25.00
Empire Life Ins. 25% paid	17.00	19.00
Do. 20% paid	14.50	....
Foreign Power Co.	....	4.50
Galt Brass com.	32.00	....
Goderich Elevator & Trans.	16.00	17.00
Great West Life	395.00	425.00
Guardian Realty pfd.	52.00	....
Guaranty Co. of N. America	385.00	415.00
Guelph & Ont. Svgs. $50 p.	60.00	....
Gurney Foundry com.	42.50	....
Halifax Insurance	8.00	9.50

	Bid	Ask.
Hart Battery com.	9.75	10.75
Hartz, J. F. A	9.50	10.50
Imperial Life	330.00	360.00
Lambton Loan & Inv. $50 p.	80.00	85.00
Laprairie com.	3.00	....
Do. pfd.	....	95.00
Loblaw Groc. Inc.	16.00	17.00
Manufacturers Life Ins.	335.00	365.00
Monarch Life 30% pd.	103.00	....
Mortgage Discount un.	2.00	....
Mountainview Apts. pfd.	22.00	....
Natl. Drug & Chem. com. N.	6.00	7.00
Do. pfd.	10.75	11.75
New Brunswick Telephone	11.75	12.75
Northern Tel. com.	1.75	2.15
Ont. & Que. Rly. 5% c. stks.	140.00	....
Ontario Tobacco Hold. pfd.	6.00	7.30
Peller Brewing com.	2.50	2.00
Do. pfd.	16.00	17.50
Provincial Bank of Canada	16.00	16.75
Prudential Trust	....	12.00
Quality Steels com.	....	.50
Ritchie Cut Stone pfd.	7.25	8.25
Sawyer-Massey com.	2.25	....
Sec. Stand. Royalties pfd.	.04	....
Sincennes McNaught. Tugs	2.25	3.00
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	41.00	....
Standard Fuel pfd.	40.00	42.00
Do. com.	3.00	5.00
Sun Life Assce.	400.00	505.00
Thayers Ltd. pfd.	54.00	....
Do. com.	....	18.00
Third Can. Gen. Inv.	2.50	4.00
Toronto General Ins.	6.00	....
United Farmers Co-op.	1.50	3.00
United Steel A pfd.	24.50	26.00
Victoria Trust & Svgs.	134.00	....
Waterloo Manuf. com.	7.25	8.25
Western Assurance com.	62.00	....
Western Grain com.	1.00	1.50
Do., pfd.	26.00	28.00

Grain Prices

Winnipeg Grain Futures

Week to Mar. 21, 1949

Crop year from Aug. 1, 1948 High	Low		High for week	Low for week	Close Mar. 21
		Oats			
.78⅞	.68⅛	May	.74½	.72⅝	.74
.75½	.66½	July	.71	.69⅜	.70⅞
.79	.62½	Oct.	.68⅝	.66⅞	.68½
		Barley			
1.10⅛	.98⅜	May	1.07⅞	1.06⅛	1.07¼
1.07½	.98	July	1.00⅛	.99⅞	1.00⅛
1.01¾	.93	Oct.	.96½	.94⅞	.96⅛
		Rye			
1.79	.98⅞	May	1.15¾	1.07¾	1.13¾
1.72	1.05⅜	July	1.15	1.07	1.13¼
1.55½	1.05	Oct.	1.13¾	1.06	1.12
		Flax			
4.11½	4.00	May	4.00⅛	4.00	4.00⅛
4.12	4.00	July	4.00	4.00	4.00

Cash Quotations

	For Week Mar. 21 High	Low	Prev. week High	Low
Oats				
2 C. W.	.77½	.75¾	.75⅝	.74⅜
3 C. W.	.76½	.73⅜	.75⅛	.73⅜
Barley				
1 Feed	1.09⅜	1.07⅝	1.09¾	1.07
2 Feed	1.09⅛	1.07⅝	1.09½	1.06⅝
Rye				
2 C. W.	1.14⅜	1.06⅜	1.18⅜	1.11⅜
Flax				
1 C. W.	4.00	4.00	4.00	4.00

Bond Tenders

12 noon, Mar. 24, 1949—Canada Treasury Bills—$75,000,000, dated Mar. 25, 1949, payable June 24, 1949.

Bond Redemptions

Bond Issues: Rate Year Call Price.
†St. Cath.-Stan. Realty Corp. 1st Mtge. -3-4-% 1957. May 1, 102.
†All outstanding.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Mar. 21	252,800	579,000	97,670	33,840	760,000
Mar. 19	216,800	359,000	38,520	11,750	330,000
Mar. 18	453,100	616,000	147,617	45,782	830,000
Mar. 17	174,600	586,000	135,596	42,895	910,000
Mar. 16	166,200	715,000	125,063	34,030	830,000
Mar. 15	195,300	809,000	102,728	179,172	870,000

Government Bonds

Mar. 22, 1949

(Supplied by Investment Dealers Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans			
3	June 1951 ..	♦102¼	102⅝
3	Mar. 1954 ..	♦103⅛	103⅜
3	Nov. 1956 ..	♦103⅛	103⅜
3	May 1957 ..	102½	103
3	Jan. 1959 ..	102	102½
3	June 1960 ..	101⅞	102¼
3	Feb. 1962 ..	101	101½
1½	Nov. 1950 ..	100	100⅜
3	Oct. 1963 ..	100⅞	101¼
3	Sept. 1966 ..	100¾	101¼
1½	Nov. 1949 ..	100	100⅛
Dom. of Canada Bonds:			
3¼	Feb. 1952 ..	102⅞	103¼
3	Oct. 1952 ..	100½	101
3	June 1955 ..	101½	101¾
3	June 1958 ..	102¼	102⅝
4½	Nov. 1959 ..	101¼	102
3¼	June 1966 ..	102⅞	103¼
3	Perpetual ..	†99¼	100¼
Dom. Guarant'd Bonds			
Can Nat Railways:			
3	Jan. 1959 ..	101¾	102¼
4½	Sept. 1951 ..	■105¼	107¼
4½	Feb. 1956 ..	■118	120¼
4½	July 1957 ..	■119⅞	122
5	Oct. 1969 ..	*■106	107¼
5	Feb. 1954 ..	111	112¼
5	Feb. 1970 ..	*■107	108¼
4½	June 1955 ..	■118	120¼
Cat Nat W Ind S.S.			
5	Mar. 1955 ..	■118¼	120¼
Grand Trunk Pacific Rly.			
3	Jan. 1962 ..	■105¼	107⅝
4	Jan. 1962 ..	■116	118

%	Due	Bid	Ask
Montreal Harbour Comm.			
5	Nov. 1969 ..	*■106½	107½
Provincial Govt Bonds			
Alberta:			
3½	June 1950/64	100¼	102
3½	June 1959 ..	106¼	108⅛
3½	June 1950/72	♦101⅞	103
3½	June 1950/71	100¼	102
British Columbia:			
2¾	Jan. 1967 ..	94½	96¼
4½	Jan. 1969 ..	♦125⅞	127⅞
5	Apr. 1954 ..	♦116¼	119⅛
5	Sept. 1953 ..	107	109
3	Dec. 1960 ..	99¼	100⅞
4	Dec. 1957 ..	♦113¼	115¼
Manitoba:			
4	Dec. 1957 ..	♦113¼	115⅞
4½	Dec. 1956 ..	♦116¼	119
5	Dec. 1959 ..	■122⅞	125
2¾	Aug. 1962/64	93½	95⅞
5½	July 1958 ..	116⅛	119
New Brunswick:			
4½	Apr. 1961 ..	♦114¼	116¼
5	Jan. 1960 ..	♦118	120
2¾	June 1966 ..	89	91
3½	Oct. 1960 ..	97¼	99¼
Nova Scotia:			
3½	June 1956 ..	100⅞	102¼
4½	Nov. 1960 ..	♦119⅞	121⅞
5	Mar. 1960 ..	♦123⅞	125⅞
3	June 1956/58	99⅞	101¼
2¾	Sept. 1966 ..	93	95
3½	May 1960/62	100¼	101¼

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69	94½	95⅞
3	Apr. 1962/65	99	100¼
3½	May 1952/55	102	103
4	June 1962 ..	■116⅞	118⅞
4½	June 1950 ..	102¼	103¼
4½	Jan. 1962 ..	♦121¼	123¼
5	Dec. 1960 ..	■125¼	127¼
2¾	July 1967/76	92¼	95
Ont. Hydro Commission:			
4	Aug. 1957 ..	■114¼	116¼
2¾	June 1961/71	93⅞	95
2¾	Oct. 1955/68	94¼	95⅞
Prince Edward Island:			
4	Mar. 1951/54	101	102¼
Quebec:			
3½	Mar. 1954/59	103	104¼
3½	Feb. 1952/55	103	104¼
4½	Aug. 1958 ..	109	110¼
4½	Jan. 1963 ..	113⅞	115¼
3	Feb. 1950/62	99	100⅞
4	Nov. 1950/52	102¼	103¼
Quebec Hydro Commission:			
3	Feb. 1969/73	97¼	98⅞
Saskatchewan:			
4	Nov. 1955/60	99	101
5	Aug. 1958 ..	105¼	107¼
4½	Mar. 1960 ..	♦105⅞	108
5	Dec. 1959 ..	♦108¼	111¼
5½	Oct. 1952 ..	104¼	106¼
6	Mar. 1952 ..	106	107¼
3	Mar. 1963 ..	90⅞	92¼
3½	Nov. 1960/62	92	94
3½	Feb. 1960/62	93¼	97⅞

♦Callable on or after earliest maturity shown & payable at maturity at 101. †Callable on or after Sept. 15, 1966. ♦Payable Can. or N. Y. ■Payable Can., N. Y. or lb. *Callable at a premium.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 10	Bldg. mater. 16	Power and traction 12	Banks 8	Total utilities 16	Total co's 106
*1935 to date:												
High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	180.8	216.9	113.8	70.5	188.4	117.0	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	189.5	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
Apr.	209.1	256.5	109.5	70.1	197.3	115.2	312.6	132.0	102.5	127.7	116.5	109.1
May	228.0	274.1	113.1	76.6	215.7	114.0	331.8	142.4	107.8	128.4	127.8	116.5
June	247.7	279.8	111.7	79.5	220.2	115.9	324.3	144.1	108.7	128.5	132.2	120.3
July	234.9	275.9	111.2	75.1	221.9	115.5	315.3	139.5	106.6	127.8	126.2	116.3
Aug.	234.8	272.2	108.8	72.8	214.8	113.2	300.3	137.1	106.7	127.9	123.2	113.6
Sept.	231.3	269.4	107.9	74.9	211.5	111.5	297.6	136.7	105.7	128.3	121.2	113.4
Oct.	234.6	266.9	103.5	78.4	212.9	112.8	305.7	139.6	108.8	128.4	123.2	116.4
Nov.	235.5	267.6	100.3	79.6	217.8	116.6	315.4	140.9	107.8	132.6	121.3	117.8
Dec.	232.2	256.9	96.8	78.9	217.8	114.1	302.8	139.6	106.9	132.4	120.2	115.8
1949: Monthly Figures:												
Jan.	224.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
1949: Weekly Figures:												
Feb. 3	228.8	249.8	92.6	70.8	206.4	114.2	287.0	142.4	107.1	130.8	117.2	110.5
Feb. 10	225.3	246.7	90.4	68.7	200.6	114.0	281.7	140.5	106.7	131.7	115.4	108.5
Feb. 17	222.3	241.1	88.7	68.1	201.7	113.2	281.4	139.5	105.1	130.9	116.1	108.0
Feb. 24	213.1	238.7	87.4	67.2	203.5	112.9	275.8	136.4	100.4	130.4	111.6	105.2
Mar. 3	220.4	237.3	84.7	67.8	208.1	110.6	273.2	137.9	104.3	130.5	112.3	105.8
Mar. 10	220.3	239.8	85.6	70.3	206.1	112.8	273.7	136.7	105.1	131.2	113.7	107.0
Mar. 17	216.1	233.1	85.0	69.2	205.3	110.5	274.1	134.9	105.6	130.2	113.1	105.5

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 21	170.73	94.34	93.56	46.65
Mar. 19	170.20	93.84	93.36	46.94
Mar. 18	170.34	93.65	93.56	47.22
Mar. 17	171.03	93.53	93.36	47.90
Mar. 16	170.74	92.22	92.65	47.05
Mar. 15	171.30	93.46	94.61	48.11
Month ago	171.01	95.55	100.71	51.37
Year ago	157.91	94.88	82.55	32.49
1948-49 High	191.44	104.68	113.93	61.76
1948-49 Low	149.13	79.16	77.67	28.66

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Mar. 21	71.7	120.1	104.0	307.88	64.45
Mar. 19	71.7	119.6	103.7	306.21	62.88
Mar. 18	72.0	119.6	103.8	306.65	62.90
Mar. 17	71.5	120.1	103.9	306.34	63.31
Mar. 16	71.4	120.4	104.1	306.38	63.42
Mar. 15	71.3	121.1	104.5	308.58	63.85
Month ago	71.2	122.3	105.3	309.09	64.91
Year ago	71.1	111.6	98.1	311.94	67.02
1948-49 Hi.	77.7	135.6	116.0	384.80	74.92
1948-49 Lo.	70.2	108.0	95.7	290.26	56.43

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Mar. 21	175.61	47.54	35.00	63.01
Mar. 19	176.07	47.76	35.05	63.19
Mar. 18	176.29	48.04	35.01	63.31
Mar. 17	176.33	48.31	35.02	63.40
Mar. 16	175.53	48.17	35.04	63.19
Mar. 15	176.02	48.46	35.05	63.39
Month ago	174.19	48.67	34.75	62.96
Year ago	173.66	51.76	32.71	63.04
1948-49 High	193.16	64.95	36.04	71.85
1948-49 Low	165.39	46.34	31.55	59.89

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

March 22, 1949

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
●Alg. Cen. H.B.R.	5	'59	67	70	67
†Assoc. Tel. & T.	5½	'55	106	..	105
Bell Telephone	3	'77	95½	98	95½
B. C. Electric	3½	'67	92	94½	91½
Calgary Power	3½	'72	95	98	95
East Kootenay	3½	'67	88	92	88
●Gatineau Pr. D	3½	'70	99	101½	99
*Do. C	3	'70	98	..	97
Gt. Lakes Pwr.	3½	'67	96	99	96
*Int. Hydro-El.	6	'44	70	73	69½
L. St. Law. Pr.	3½	'65	95	..	95
Maclaren-Quebec Power	3	'69	94½	97½	94
§Mtl. Trams. A	5	'55	91	..	90
Nat. Lt. & Pr.	4½	'61	100	..	100
Nor. Que. Pr.	4½	'67	98	101	98
Ott. L.H. & Pr.	4	'57	100	103	100
Power Corp.	3½	'67	95½	98½	95
Quebec Power	3	'62	97	100	97
Saguenay Pr.	3	'71	98	..	98
St. Maurice Pr.	3½	'70	96½	99	96½
Shaw W. & Pr.	3	'61	97½	100	97½
Shaw W. & Pr.	3	'71	94	97	94
Do.	3½	'70	99	101½	99
Union Gas	4½	'50	100	..	100
Un. Fuel Invest.	4	'59	100½	..	100½
United Secs.	3	'52	99	..	99½
Winnipeg Elec.	3½	'71	101½	104	101½
Industrial Issues:					
Abitibi Pr. P.	3½	'67	98½	101½	98½
Acadia-Atlantic Sugar	3½	'65	100½	..	100½
Aluminum Co.	3½	'74	101½	..	100½
Bathurst P. & P.	3½	'68	99	..	98½
B.C. For. Pdcts.	4	'66	89	92	89
B.C. Pulp & Pa.	3½	'67	95½	98½	95½
Bowater's Nfld. P. & P.	3½	'68	96	99	96
Brompton Pulp & Paper	3½	'66	93	96	93
*Brown Co.	5	'59	100½	..	100
Burns & Co.	4	'63	97½	100	97
Can. Steamship	3½	'57	99	101½	99
Can. Brew.	3½	'67	91	93½	91
Can. Celanese	3	'62	96½	...	96½
Can. Oil	3½	'62	98	101	98
Can. West. Lum.	4	'62	99	102	99
Chatco Stl. Pr.	4	'67	89	92	89
C.P.R.	3½	'51	101½	...	101½
Do.	4	'49	100	...	100
C.P.R.	4 Perp.		106	...	105
Cockshutt Plow Co.	4½	'65	99½	102	99½
Columbia Cell.	5	'68	99	102	99
Consol. Paper	3½	'67	101	103½	101
Dom. Coal	4½	'52	100½	...	100½
Dom. Tar & Ch.	3½	'57	100½	...	100⅛
Dom. Textile	3½	'59	101	...	101
Dom. Woollens	5	'64	100½	103	100
Dryden Paper	4	'61	100	...	100
E. B. Eddy	3½	'66	98½	101	98½
E. B. Eddy	4	'66	101	103½	101
English Electric	4	'67	96½	...	96
Federal Grain	4	'64	98	101	98
Gt. Lakes Pap.	3½	'67	99	...	99
Imperial Tobac.	2¾	'66	95½	...	95½
Indust. Accept.	3½	'66	94	97	94
Lake St. J. P.	5	'61	101	...	101
Lang, John A.	4½	'62	101	...	101
Laurentian Silk.	4½	'67	100	...	100
MacMillan (H.R) Ex.	4	'63	100	...	100
Maple L. M.	3½	'63	95½	98½	96
Massey-Harris	3	'66	94	...	94
Do.	4½	'63	101	103½	100½
McColl-Front.	3	'71	94	...	94
Mercury Mills	4	'63	99	...	98½
Monarch Knit.	4	'66	99½	...	99
Morgan (Henry) Prop.	3½	'67	98	101	98
N.S. Steel Coal	3½	'63	98	101	98
Penman's	3½	'66	99½	102½	99½
Price Bros.	3½	'66	100	102½	100
Silv. Dairies	4	'60-64	98	...	98
Do.	4	'71	89	...	89
Simpsons Ltd.	3½	'60	101½	104	101½
Steel of Canada	2¾	'67	94	97	94
Tor. Elevators	3½	'68	97½	...	97½
United Corp.	4	'58	100	...	100
United Steel	4	'60	99	...	99
Untd. Grain Gr.	4	'63	100½	...	100
†Western Grain	5	'63	81½	84½	81½
York Knit. Mills	3½	'71	89	...	89

*Payable in Canada or United States.
†Payable in Canada, U. S. or U. K.
*Payable in United States.
§Payable in Canada only.
●Payable in Canada or U. K.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.68	$19.41	$15.50
Hogs	30.72	30.60	28.72
Copper, lb.	.23½	.23½	.21½
Sugar, raw, lb.	.0520	.0520	.0495
Coffee, lb.	.26⅝	.26½	.25¾
Hides	.24½	.24½	.24½
Weekly Indices			
U. S. Labor	159.0	158.8	161.0
Dow Jones	125.86	125.91	143.67
Fishers	168.5	168.8	167.3
Monthly Indices			
Retail (Feb.)†	159.5	159.8	150.1
W'sale (Jan.)	159.3	159.5	146.9
U. S. (Dec.)	162.2	163.9	163.2
Gt. Brit. (Dec.)	220.6	220.5	203.5

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

Dominion

Dominion of Canada Treasury Bills—Due June 10, 1949, $75,000,000, issued Mar. 11, 1949. Sold at $99.89428, cost basis .424% to Chartered Banks.

Municipal

City of Ottawa, Ont.—2¾% and 3¼%, 1-21 year serial debentures $6,300,000, issued Mar. 11, 1949. Sold at $102.0774, cost basis 2.96510%, to A. E. Ames & Co. Ltd., Bank of Montreal, Royal Securities Corp. Ltd. and McTaggart, Hannaford, Birks & Gordon Ltd.

Town of Pictou, N.S.—3% and 3½% debentures, due Mar. 1, 1950-57-65, $20,000, issued Feb. 24, 1949. Sold at $101.52 to J. C. MacKintosh & Co. Ltd.

School Commission of Laverlochere & Baby, P.Q.—3½% debentures, due Mar. 1, 1950-59, $50,000, issued Mar. 5, 1949. Sold at $95.50 to Paul Gonthier & Co. Ltd.

City of Chilliwack, B.C.—3¼% debentures, due Mar. 15, 1950-59, $26,000, issued Mar. 7, 1949. Sold at $100.815 to Bank of Nova Scotia.

Parish of L'Ancienne—Lorette, P.Q.—3% and 3½% debentures, due Mar. 1, 1950-63-64, $250,000, issued Mar. 7, 1949. Sold at $98.625 to J. T. Gendron Inc. & Dudley Dawson Ltd.

Town of Jonquiere, P.Q.—3½% debentures, due Mar. 1, 1950-64, $300,000, issued Mar. 7, 1949. Sold at $96.34 to La Corporation de prets de Quebec, J. E. Laflamme Ltd. and Oscar Dube & Co. Inc.

Town of New Toronto, Ont.—3¼% debentures, due Apr. 1, 1950-59, $300,000, issued Mar. 8, 1949. Sold at $100.127 to Fairclough & Co. Ltd., J. L. Graham & Co. Ltd., Burns Bros. & Denton Ltd., Cochran, Murray & Co. Ltd. and Bank of Commerce.

City of Vancouver, B.C.—3½% and 3¾% debentures, due Apr. 1, 1950-74, $7,936,000, issued Mar. 8, 1949. Sold at $97.51847 to A. E. Ames & Co. Ltd. and Syndicate.

Calgary School Board, Alta.—3¼% debentures, due Apr. 1, 1950-64. Sold at $100.757 to J. L. Graham & Co. Ltd. and Harrison & Co. Ltd.

Village of St. Joseph, P.Q. — 3% and 3¼% debentures, due Dec. 15, 1949-58-67, $40,000, issued Mar. 10, 1949. Sold at $97.46 to Rene-T. Leclerc Inc.

District of Salmon Arm, B.C.—4% debentures, due Dec. 1, 1951-72, $60,000, issued Mar. 10, 1949. Sold at $100.1789, to Wood, Gundy & Co. Ltd.

City of Trail, B.C.—3¼% debentures, due Dec. 1, 1949-68, $92,000, issued Mar. 14, 1949. Sold at $100.07 to Lauder, Mercer & Co. Ltd. and Bankers Bond Corp. Ltd.

Parish of Ste.-Adele, P.Q.—3½% debentures, due Jan. 1, 1950-64 $6,000, issued Mar. 14, 1949. Sold privately at $100.

Company Meetings

1949 Company Place
Mar. 24—B. A. Bk. Note .... Ottawa
Mar. 24—Bathurst P. & P. ...... Montreal
Mar. 24—Gt. West Felt ...... Elmira, Ont.
Mar. 24—L. McBrine Ltd. ...... Kitchener
Mar. 24—Russell Ind. .... Toronto
Mar. 25—Donn. Paper .... Quebec
Mar. 25—Gypsum Lime ...... Paris, Ont.
Mar. 25—Taylor Pearson .... Edmonton
Mar. 26—Royal Candn. Oils .... Calgary
Mar. 28—Mackenzie R. L. .... Toronto
Mar. 29—London Can. Invest. Corp. Montreal
Mar. 29—J. S. Mitchell .... Sherbrooke
Mar. 30—Bobjo M. .... Toronto
Mar. 30—Candn. Oils .... Toronto
Mar. 30—Can. S. W. Land ...... Toronto
Mar. 30—Cassidy's .... Montreal
Mar. 30—Fraser Cos. .... Edmundston
Mar. 30—G. Tamblyn .... Toronto
Mar. 30—Nat. Brew. .... Montreal
Mar. 30—Quinte Milk .... Wellington, Ont.
Mar. 31—Amalgamated Oils .... Calgary
Mar. 31—Candn. Gen. Sec. ...... Toronto
Mar. 31—Can. Starch .... Montreal
Mar. 31—Prest. East D. M. .... Toronto
Mar. 31—Renabie M. .... Toronto
Mar. 31—Rolland Pap. .... Montreal
Apr. 1—Macassa M. .... Toronto
Apr. 2—Nat. Mut. Ben. Ass. .... Montreal
Apr. 4—Reno Gold .... Vancouver
Apr. 5—Simpsons .... Toronto
Apr. 7—Robt. Mitchell .... Montreal
Apr. 12—Dome Mines .... Toronto
Apr. 12—Jack Wait M. Smithtown, Seattle
Apr. 12—Crown Cork .... Toronto
Apr. 13—Globe Oil .... Calgary
Apr. 14—Abitibi Pwr. & P. .... Toronto
Apr. 14—Mining Corp. .... Toronto
Apr. 14—Normetal M. .... Toronto
Apr. 14—Quemont M. .... Toronto
Apr. 15—Celanese .... New York
Apr. 20—Borden Co. .... Flemington, N.J.
Apr. 20—Candn. Cel. .... Montreal
Apr. 21—Asbestos Corp. .... Montreal
Apr. 21—Fanny Farmer .. Rochester, N.Y.
Apr. 21—Pamour Porc. .... Toronto
Apr. 25—Frobisher .... Toronto
Apr. 26—Mtl. Locomotive .... Montreal
Apr. 26—Torbrit Silver .... Vancouver
Apr. 27—Int. Nickel .... Toronto
Apr. 27—Western Grocers ..... Winnipeg
Apr. 28—Ind. Accept. Corp. ..... Montreal
Apr. 28—Regent Knit. M. .... Montreal
Apr. 28—Montreal Tram. .... Montreal
Apr. 29—Anglo-Can. Oil .... Calgary
Apr. 29—Hudson Bay M. .... Toronto
May 4—Candn. Pac. Rlwy. ..... Montreal

Investment Trust

	Bid	Asked
Affiliated Funds	3.68	4.03
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.45	4.90
Can. Invest. Corp.	7.50	8.25
Commonwealth Int.	3.26	3.58
Corporate Invest.	8.05	8.65
Trans-Canada A	13.30	....
Do. B	....	13.55

Dividends Declared

	This payment $	Date payable	Date of record •
Abitibi	*.25	Apr. 1	Mar. 1
Do. $1.50 pf.	.37½	Apr. 1	Mar. 1
Do. $2.50 pf.	.62½	Apr. 1	Mar. 10
Acadia-Atlantic A pf	.25	Apr. 1	Mar. 10
Acme Glove	.25	Apr. 1	Mar. 15
Aluminium	.25	June 1	May 4
Amer. Cyn.	.37½	Apr. 1	Mar. 4
Do. pf. 3½%	†.87½	Apr. 1	Mar. 4
Asbestos Corp.	.30	Mar. 31	Mar. 9
Anglo-Can. Oil	.05	Apr. 13	Mar. 21
Ashdown Hdwre A.	.15	Apr. 1	Mar. 10
Atlas Steel	.25	May 2	Apr. 4
Auto Fab. A	.15+.20	Apr. 1	Mar. 15
Do. B	.10	Apr. 1	Mar. 15
Bk. of Nova Scotia	.30	May 2	Apr. 14
Beatty Bros.	.75	Apr. 1	Mar. 15
Beaver Lumber A	.25	Apr. 1	Mar. 10
Do.	.25	July 2	June 10
Do. pf.	.35	Apr. 1	Mar. 10
Do.	.35	July 2	June 10
Beld. Cort.	1.50	Apr. 1	Feb. 28
Do. pf.	1.75	Apr. 1	Feb. 28
Bell Tele.	.50	Apr. 15	Mar. 15
Belgium Glove	.15	Apr. 1	Mar. 15
Do. 5% pf.	.25	Apr. 1	Mar. 15
Biltmore Hats	.10	Apr. 15	Mar. 31
Do. A	.25	Apr. 15	Mar. 31
Bralorne M.	.10	Apr. 16	Mar. 26
B. A. Oil	.25	Apr. 1	Mar. 3
Do. pf.	.234375	Apr. 1	Mar. 3
B. C. Elec. 4% pf.	1.00	Apr. 1	Mar. 15
Do. 4¾% pf.	1.19	Apr. 1	Mar. 15
		Coup. 2-xc-	Mar. 31
B. C. Power A	.40	Apr. 15	Mar. 31
Brantford Cord.	.12½	Apr. 15	Mar. 20
Do. pf.	.32½	Apr. 15	Mar. 20
Brew. & Dist.	.60+.30	May 20	Apr. 21
Brazilian Tr. pf.	1.50	Apr. 1	Mar. 15
T. G. Bright	.25	Apr. 14	Mar. 31
Br. Amer. Assur.	1.88	Apr. 1	Mar. 25
Brockville Tr.& Sav.	.62½	Apr. 1	Mar. 19
Building Prod.	.40	Apr. 1	Mar. 10
Burlington Steel	.20	Apr. 1	Mar. 10
Burns Co. A & B	.30	July 28	July 7
Do.	.30	Oct. 28	Oct. 7
Caldwell Linen	.20	May 1	Apr. 15
Do. 1st pf.	.37	May 1	Apr. 15
Do. 2nd pf.	20.	May 1	Apr. 15
Can. Bread 4½% pf.	1.12½	Apr. 1	Mar. 10
Do. B pf.	.62½	Apr. 1	Mar. 10
Can. Dry	†.15	Apr. 1	Mar. 15
Do. pf.	†1.06¼	Apr. 1	Mar. 15
Can. Flooring B	.15	Apr. 1	Mar. 17
Can. Iron Fdry.	.40	Apr. 15	Mar. 31
Do. pf.	.30	Apr. 15	Mar. 31
Cal. & Ed. Corp.	.05	Apr. 16	Mar. 11
Can. Life	5.00	Apr. 1	Mar. 31
Can. Nor. Pwr.	.15	Apr. 25	Mar. 18
Can. Packers A	.75	Apr. 1	Mar. 1
Do. B	.25	Apr. 1	Mar. 1
Can. Perm. Mtge.	2.00	Apr. 1	Mar. 15
Can. Starch pf.	•7%	Mar. 31	Mar. 24
Can. Varnish pf.	.31¼	Apr. 1	Mar. 17
Candn. Bk. of Com.	.20	May 2	Mar. 31
Candn. Brew.	.50	Apr. 1	Feb. 28
Candn. Bronze	.31	May 2	Apr. 11
Do. pfd.	1.25	May 2	Apr. 11
Candn. Can.	.31¼	Apr. 1	Mar. 10
Do. 1st pf.	.25+.05	Apr. 1	Mar. 10
Do. 2nd pf.	.15+.10	Apr. 1	Mar. 10
Candn. Cel.	.35	Mar. 31	Mar. 15
Do. pf.	.43¾	Mar. 31	Mar. 15
Do. $1 pf.	.25	Mar. 31	Mar. 15
Candn. Cot.	.70+.50	Apr. 1	Mar. 1
Do. pfd.	.30	Apr. 1	Mar. 1
Candn. Fairb.-M. pf.	1.50	Apr. 14	Mar. 31
Candn. Foods	.18¾	Apr. 1	Feb. 28
Do. A	.25	Apr. 1	Feb. 28
Do. pf.	1.12½	Apr. 1	Feb. 28
Candn. For. I. Corp.	.75	Apr. 1	Mar. 1
Candn. Gen. Elec.	2.00	Apr. 1	Mar. 19
Candn. Gen. Inv.	.20+.21	Apr. 15	Mar. 31
Candn. Ice Mach. A	.20	Apr. 1	Mar. 15
Candn. Ind.	.17½	Apr. 30	Mar. 31
Do. pf.	1.75	Apr. 14	Mar. 15
Candn. Ing. Rand	1.50	Mar. 30	Mar. 15
Can. Inv. Corp.	.10+.40	May 2	Apr. 4
Candn. Motor L.	.30 ext.	Apr. 15	Mar. 11
Candn. Oil 4% pf.	1.00	Apr. 1	Mar. 10
Do. 5% pf.	1.25	Apr. 1	Mar. 10
Do. 8% pf.	2.00	Apr. 1	Mar. 10
Candn. Pac. Rlwy.	.75	Mar. 31	Feb. 25
Candn. Refrac. pf.	1.12½	Apr. 15	Mar. 30
Can. Silk A	.37½	Apr. 1	Mar. 1
Candn. West. Lum.	.10	Apr. 15	Mar. 18
Do.	.10	July 15	June 17
Do.	.10	Oct. 15	Sept. 17
Can. Westinghouse	.50	Apr. 1	Mar. 15
Candn. Wirebound	.37½	Apr. 1	Mar. 10
Cassidy's	*.15	Apr. 1	Mar. 3
Do. pf.	1.75	Apr. 1	Mar. 3
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Celanese Corp.	†.60	Mar. 31	Mar. 11
Do. 1st pf.	†1.18¾	Apr. 1	Mar. 11
Do. 2nd pf.	†1.75	Apr. 1	Mar. 11
Cent. Can. Loan	2.00	Apr. 1	Mar. 19
Chart. Trust	1.25	Apr. 1	Mar. 15
Chesterville M.	.05	May 16	Apr. 30
Cinzano pf.	2½%	Mar. 31	Mar. 15
Circle Bar Knit A	.50	Apr. 15	Mar. 30
Cockshutt Plow	♦.20	June 1	May 1
Do.	♦.20	Sep. 1	Aug. 1
Combined Enter. pf.	1.25	Apr. 15	Mar. 14
Com. Alcohol pf.	.10	Apr. 15	Mar. 31
Consol. Litho.	.50	Mar. 31	Mar. 1
Consol. Press A	.16¼	Apr. 1	Mar. 15
Consol. Tet. pf.	.50	June 1	May 16
Consumer's Gas	2.00	Apr. 1	Mar. 15
R. L. Crain	.10	Apr. 1	Mar. 15
Cresc. Cream. pf.	3.00	Mar. 31	Mar. 15
Crown Cork & Seal	.50	May 16	Apr. 15
Crown Life 60-100% pd.	5%	Apr. 1	Mar. 31
Crown Trust	1.25	Apr. 1	Mar. 18
David & Frere A	.25+.50	Mar. 31	Mar. 15
Do. B	.25	Mar. 31	Mar. 15
Dom M.	.17½	Apr. 30	Mar. 31
Dom. Bank	.25	May 2	Apr. 14
Dom. Dairies pf.	.43	Apr. 15	Mar. 31
Dom. Foundries	.35	Apr. 1	Mar. 10
Dom. Glass	.25	Apr. 15	Mar. 29
Do. pf.	.35	Apr. 15	Mar. 29
Dom. Malting	.25	May 1	Apr. 8
Do. pf.	1.25	May 1	Apr. 8
Dom. Square	.50	Apr. 15	Mar. 15
Dom. Tar & Ch. pf.	.25	Apr. 1	Mar. 1
Do. V.T.	.25	May 2	Apr. 1
Dom. Textiles	.15+.25	Apr. 1	Mar. 4
Do. pf.	1.75	Apr. 16	Mar. 15
Don. Pap.	.50	Apr. 1	Mar. 1
Donnell G. M. A	.25	Apr. 1	Mar. 10
East. Can. Sav.	1.50	Apr. 1	Mar. 19
East. Trust	.20	Apr. 1	Mar. 19
Easy Washing Mach.	.25	Apr. 1	Mar. 15
Economic Inv. Tr.	1.20	Apr. 1	Mar. 15
T. H. Estab. pf.	.26	Apr. 15	Mar. 19
Evans Cole. & G. A	.15	Apr. 1	Mar. 24
Do. B	.05	Apr. 1	Mar. 24
Famous Players	.25	Mar. 26	Mar. 11
Fanny Farmer	†.37½	Mar. 31	Mar. 15
Fashion-Craft pf.	1.25	Apr. 1	Mar. 20
Fed. Fire Ins.	1.00	Aug. 16	Aug. 11
Foothills Oil	.12½	Apr. 1	Mar. 18
Foundation Co.	.35+.50	Apr. 21	Mar. 31
Fraser Cos.	.50	Apr. 25	Mar. 31
Do. pfd.	*1.33	Apr. 1	Mar. 10
Gatineau Pwr.	.30	Apr. 1	Mar. 1
Do. 5% pfd.	1.25	Apr. 1	Mar. 1
Do. 5½% pfd.	1.37½	Apr. 1	Mar. 1
Gen. Prod's A & B.	.50	July 15	June 29
Do. pf.	2.50	July 15	June 29
Golden Man. M.	.05	Apr. 1	Mar. 10
Goodyear T. & R.	1.00	Apr. 1	Mar. 10
Grand & Toy	.15	Mar. 31	Mar. 19
Gt. Brit. & Can. Inv. Corp. pf.	3.50	Apr. 1	Mar. 4
Gt. West Life	5.00	Apr. 1	Mar. 18
Gt. Lakes Pap.	.40	Mar. 31	Mar. 7
Do. A pf.	.62½	Mar. 31	Mar. 7
Gt. West Felt	.30	Apr. 1	Mar. 21
Do.	.30	Oct. 1	Sep. 20
Do. pf.	.12½	Apr. 1	Mar. 21
Gt. West Sad. 2nd pf	.75	Mar. 31	Mar. 10
Greening Wire	.05	Apr. 1	Mar. 15
Guardian Realty	.75	Apr. 14	Mar. 31
Gypsum, Lime	.25	June 1	May 2
Do.	.25	Sep. 1	Aug. 1
Do.	.25	Dec. 1	Nov. 1
Ham. Cot.	.22½	June 1	May 10
Harding Carp.	.20	Apr. 1	Mar. 15
Hart Battery	.10	Mar. 31	Mar. 3
Hendershot Pap.	.25	Apr. 1	Mar. 21
Do. pf.	2.50	Apr. 1	Mar. 21
Hinde & Dauch Pap.	.25	Apr. 1	Feb. 28
F. W. Horner A	.12½	Apr. 1	Mar. 1
Huron & Erie Mtge.	1½%	Apr. 1	Mar. 15
Imp. Bank	.30	May 2	Mar. 31
Imp. Life	3.75	Apr. 1	Mar. 31
Imp. Tobacco	.10+.20	Mar. 31	Mar. 4
Do. 4% pfd.	.25	May 2	Mar. 22
Do. 6% pfd.	3%	Mar. 31	Mar. 1
Ind. Accept. Corp.	.37½	Mar. 31	Mar. 1
Do. 4¼% pf.	1.06¼	Mar. 31	Mar. 1
Do. 5% pf.	1.25	Mar. 31	Mar. 1
Ing. Mach. & Tool A	.12½	Apr. 1	Mar. 15
Do. pf.	1.00	Apr. 1	Mar. 15
Inter City Baking	.75	Mar. 31	Mar. 15
Int. Bronze Pwd. pf.	.37½	Apr. 15	Mar. 14
Int. Metal A	.40	Apr. 1	Mar. 7
Do. pfd.	1.12½	Apr. 1	Mar. 7
Do. pf.	†1.75	May 2	Apr. 4
Int. Milling pf.	†1.00	Apr. 15	Mar. 31
Int. Pap.	†1.00	Mar. 29	Feb. 23
Do. pf.	†1.00	Mar. 29	Feb. 23
Inv. Found. 6% pf.	.75	Apr. 15	Mar. 15
Jam. Pub. Ser. pf.	1.75	Apr. 1	Feb. 28
Jam. Pub. Ser.	.25	Apr. 1	Feb. 28
John Inglis	.10	Apr. 1	Mar. 22
Journal Pub.	.20	Apr. 15	Mar. 18
Kirkland L. G. M.	.02	May 2	Mar. 31
John Labatt	.25	Apr. 1	Mar. 15
John A. Lang	.25	Apr. 1	Mar. 10
Lawson Jones A	*.50	Apr. 1	Mar. 1
Lewis Bros.	.25	Apr. 30	Mar. 31
London Hose	.15+.10 ext.	Apr. 1	Mar. 15
Do. Cl. A	.20	Apr. 1	Mar. 15
Louisiana L. & Ex.	†.25+.15	Mar. 15	Mar. 4
Lounsbury A & B	.20 ext.	Apr. 1	Feb. 2
W. M. Lowney	.25	Apr. 14	Mar. 15
Mack S. Steel pf.	1.25	June 15	May 31
H. R. MacMillan A	.12½	Mar. 31	Mar. 10
Do. B	.12½	Mar. 31	Mar. 10
Mailman Corp.	.25	Apr. 1	Mar. 15
Manitoba Sug. pf.	3.00	Apr. 1	Mar. 15
Marcus Loews	.25	Mar. 31	Mar. 14
Maritime T. & T.	.20	Apr. 15	Mar. 21
Do. pfd.	.17½	Apr. 15	Mar. 21
Mercury Mills	.15	May 1	Apr. 15
Mersey Pap.	.50	Apr. 1	Mar. 12
Do. pfd.	1.12½	Apr. 1	Mar. 12
Minn. & Ont. Pap.	†.50	Apr. 20	Mar. 31
Minn. St. Paul & S.S. Marie Rly	†1.00	Apr. 1	Mar. 15
Robt. Mitchell	.50 spec.	Apr. 15	Mar. 15
Do.	.50	June 15	May 15
Do.	.50	Dec. 15	Nov. 15
J. S. Mitchell	1.00	Apr. 1	Mar. 16
Mod. Containers A.	.25	Apr. 2	Mar. 21
Monarch Knit.	.25	Apr. 1	Feb. 28
Do. pf.	1.12½	Apr. 1	Feb. 28
Mtl. City & Dist. Sav. Bk.	.25	Apr. 1	Mar. 1
Mtl. Locomotive	.30	Apr. 1	Mar. 9
Mtl. Telegraph	.50	Apr. 16	Mar. 15
Moore Corp.	.75	Apr. 1	Mar. 10
Do. pf. A & B	†1.75	Apr. 1	Mar. 10

Market Comment

What stocks and bonds are doing and what prominent observers say

Another week of low volume and unimportant price fluctuations. The market is a waiting affair—waiting chiefly for the first conclusive evidences of the spring business tempo. Both selling and buying forces remain about balanced and negligible.

Interim reports and off-the-record confidences on current earnings trends in a number of representative firms reveal a slowing down in tempo of stock turnover. This is gradually being translated into somewhat lower production volume in some industries. But how much of the slower buying fever of consumers represents deferred buying in anticipation of lower prices and how much represents actual inability to buy is hard to tell at this stage.

In the meantime annual reports covering 1948 operations are making their appearance in swelling volume. Most striking feature is the strong financial position being built up by many companies. Firm after firm has seen fit to set up, or further swell, contingency reserves providing for possible sharp slump in inventory values

At the same time, sizeable expansion programs have been financed out of working capital or modest bank loans without any recourse to further issuance of company stock.

Plant capacity and efficiency have been increased and in many cases new products have been added, providing companies with greater diversity of product.

All this should provide good insurance against return to hard, competitive selling conditions.

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G. H. RENNIE; G. H. Rennie & Co. (Toronto)

We fail to recognize any specific trend in the stock market at this time. Averages do not particularly vary from day to day and they have only partially recovered from the February sell-off.

The old yard stick of measurement of market prices, against earnings, is, if not broken, rather badly bent. Many instances are recorded of shares in very sound industrial enterprises selling at prices equal to only 2 or 3 times earnings a share, after costs of operation, depreciation reserves, inventory reserves and heavy taxes.

Dominion of Canada bonds yield less than 3% while many preferred and common shares can be had at prices that give, with soundness, unusually high yields.

Savings accounts are maintained at a high level on a very nominal interest return.

In 1948, $409,140,114 was paid in dividends by all incorporated companies in Canada with a public interest.

The present apathy of the public toward very unusual investment opportunities, carrying high returns in the non-speculative and proven industrial fields is hard to understand. If ever there was a time, when confidence and courage in the investment field, had an opportunity, it is now.

We believe in the future of Canada, and the Western oil fields developments will surely prove a tremendous source of new wealth, very favorably affecting our national economy.

Highly informed authorities in the paper industry express confidence in the future of the production of newsprint and associated products, and over the past few years, most, if not all the companies engaged in this activity, have been highly successful, in improving and modernizing plants, to a high state of efficiency.

The underlying tone of the market appears strong, and in the better listed securities, there is not too much stock in supply. The menace of war, however, appears to obscure the view that this is the land of opportunity. It is our opinion that good Canadian securities may be purchased with confidence at present market levels.

* * *

JAMES B. WEIR: Oswald & Drinkwater (Montreal)

The market continues to drift in a sideways fashion, with a slow drying up of volume. This would seem indicative of complete apathy on the part of the public to what is going on in this country.

In spite of all this, Canada is now developing at a rate probably faster than at any time in her history, vide, the oil in Alberta, titanium in Quebec, iron in Quebec and Labrador. In fact oil in the West is now being found at a rate which practically assures it of being one of the biggest things ever discovered in this country. It has been stated on good authority that $100 millions will be spent on oil in Alberta this year. Most of this, however, will be American capital. It seems unfortunate that we Canadians should not take full advantage of our heritage, and to the limit of our ability participate in their development.

As to things generally, the gradual return to a time of peacetime plenty seems to be construed as bearish. This should not be so, with high yields, well protected by high earnings, pessimism seems unwarranted.

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WESTERN CITY CO: (Vancouver)

Since early last summer the stock market has worked progressively lower with each successive selloff reflecting a growing deterioration in investment sentiment. Today, while the general outlook seems to be predominantly pessimistic, conversely, the volume of daily sales has dwindled to a minimum, thereby indicating there is little urgency for liquidating sound equities at current prices.

Past experience has taught us to look for just such a condition for favorable buying opportunities. Repeatedly it has been found that when the adverse factors causing a decline become widely realized, there remains little bad news left to discount and the market stages a rally, if for no other reason, to correct an oversold position. Such a technical correction, if assisted by improving news, can develop into an upward movement of magnitude. We believe that an intermediate turning point was reached on Feb. 25. (Ind.—171.10; Rails—46.34).

New Highs & Lows

During the week ended Mar 12 2 new highs were recorded among the general stocks on Canadian Stock Exchanges and 26 new lows. In the mining group there were 3 new highs and 12 new lows; three new lows among western oils.

GENERAL

New Highs—1948-49

Bertram & Sons B
Manitoba Sugar pf.

New Lows—1948-49

Beaver Lumber pf.
Blue Ribbon pf.
B. C. Elec. 4¾% pf.
Canada Bread pf B
Candn. Bronze
Candn. Food Pro.
Dom. Fabric 2nd pf.
Gord. Mackay A
Holden Mfg. B
Humberstone Shoe
Int. Bronze pf.
Lawson, Jones A
Do. B
Lewis Bros.
Mailman Corp.
Maple Leaf Milling
Mount Royal Rice
Powell River
Purity Flour
Do. pf.
St. Law. Pap. 2 pf.
Sherwin-Williams
Silverwoods B
Toronto Elevators
Toronto Gen. Trust
Wabasso Cot.

MINING

New Highs—1948-49

Forty-Four
Hudson Rand
Silver Ridge

New Lows—1948-49

Anacon L'd
Eldona
El Sol
Goldvue
Gulf Lead
Hasaga
L. Lingman
Louvicourt
N. Norzone
N. Thurbois
Pato Cons.
Que. M'gese

OILS

New Lows—1948-49

Cons. H'stead
New Ranch.
N. Exten.

Dividends Declared (cont.)

	This payment $	Date payable	Date of record
Do. 4% pf.	.25	Apr. 1	Mar. 10
Murphy Paint	.20	Mar. 31	Mar. 14
Nat. Biscuit	†.40	Apr. 15	Mar. 8
Nat. Brew.	.50	Apr. 1	Mar. 9
Do. pf.	.44	Apr. 1	Mar. 9
Nat. Grocers	.15	Apr. 1	Mar. 14
Do. pfd.	.37½	Apr. 1	Mar. 14
Nat. Hose. A	.15	Apr. 1	Mar. 4
Do.	.15	July 1	June 3
Do.	.15	Oct. 1	Sep. 2
Do.	.15	Jan. 1	Dec. 2
Do. B	.30	Apr. 1	Mar. 4
Nat. Steel Car	.37½	Apr. 15	Mar. 15
Nat. Trust	.25	Apr. 1	Mar. 15
New Eng. E. S.	†.20	Apr. 1	Mar. 19
Niagara W. W.	.40	Apr. 1	Mar. 3
Normetal M.	.10	Mar. 31	Mar. 4
North Star Oil pf.	.17½	Apr. 1	Mar. 15
Nor. Tel.	.02	Apr. 15	un.
N. S. Lt. & Pwr.	.25	Apr. 1	Mar. 12
Ogilvie Flour	.25	Apr. 1	Feb. 23
Ont. Beauty Sup. pf	.25	Apr. 2	Mar. 19
Ont. Loan	1.25	Apr. 1	Mar. 15
Ont. Steel	.25+.25	May 15	Apr. 15
Do. pfd.	1.75	May 15	Apr. 15
Ottawa Elec. Rlwy.	.25	Apr. 1	Mar. 8
Ottawa Lt. H. & Pw.	.15	Apr. 1	Feb. 18
Do. pf.	1.25	Apr. 1	Feb. 18
Page-Hersey T.	.45	Apr. 1	Mar. 15
Paramount Pic.	†.50	Mar. 25	Mar. 4
Perron G. M.	.01	Apr. 29	Mar. 30
Power Corp. 1st pf.	1.50	Apr. 15	Mar. 18
Do. 2nd pf.	.75	Apr. 15	Mar. 18
Prudential Tr.	.50	May 2	Mar. 31
Preston E. D. M.	.01½	Apr. 14	Mar. 15
Que. Man. M.	.02	Apr. 1	Mar. 10
Que. Power	.25	May 25	Apr. 14
R. & M. Bearings A	.27	Apr. 1	Mar. 15
Regent Knit. pf.	.40	June 1	May 16
Do.	.40	Sept. 1	Aug. 15
Do.	.40	Dec. 1	Nov. 15
Reitmans pf.	.25	May 2	Apr. 15
Rem. Rand	†.25	Apr. 2	Mar. 9
Do. pf.	†1.12½	Apr. 2	Mar. 9
Renold. Cov. A	.27+.10	Apr. 1	Mar. 15
Do.	.28+.05	July 1	June 15
Do.	.27+.05	Oct. 1	Sep. 15
Renfrew Text. A	.15	Apr. 1	Mar. 10
Riverside Silk A	.50	Apr. 1	Mar. 15
Do. B	1.00	Apr. 1	Mar. 15
P. L. Robertson	.50	Apr. 2	Mar. 21
Do. pf.	.62½	Apr. 2	Mar. 21
Robinson Cot.	.10	May 2	Apr. 1
Rob. Little	.20	Mar. 31	Mar. 15
Russell Ind.	.20	Mar. 31	Mar. 10
Do. pf.	1.75	Mar. 31	Mar. 10
Sag. Pwr. pf.	1.06	Apr. 1	Mar. 10
Do.	1.06	July 1	June 19
St. John D. D. pf.	1.12½	Apr. 1	Mar. 23
St. Law. Corp. 1st pf	.50	Apr. 25	Apr. 4
Do. 2nd pf.	.18½	Apr. 25	Apr. 4
St. Law. Pap. 1st pf.	1.50	Apr. 25	Apr. 4
Do. 2nd pf.	.60	Apr. 25	Apr. 4
St. Law. Flour	.40	May 2	Mar. 31
Do. pf.	1.75	May 2	Mar. 31
San Antonio G.	.07	Apr. 15	Mar. 15
Sangamo	.12½	Apr. 2	Mar. 30
Shaw. W. & P.	.30	May 25	Apr. 4
Do. pf.	.50	Apr. 2	May 2
Schultz Die	.62½	Apr. 2	Mar. 15
Sheep Creek M.	.02	Apr. 15	Mar. 31
Sherwin-Will.	.20	Apr. 15	Mar. 31
Do. pf.	1¾%	Apr. 1	Mar. 10
Sicks Brew.	.25	Mar. 31	Feb. 23
Do. V.T.	.25	Mar. 31	Feb. 23
Silverwood's Dir. A	.15	Apr. 1	Feb. 28
Do. B	.10	Apr. 1	Feb. 28
Do. West. pfd.	1.25	Apr. 1	Feb. 28
N. Slater	.30	May 1	Apr. 9
Do. pfd.	.53	May 1	Apr. 9
How. Smith.	.50	Apr. 20	Mar. 31
Do. pf.	.50	Apr. 20	Mar. 31
So. Can. Pwr.	.30	May 16	Apr. 20
Do. pf.	1.50	Apr. 15	May 18
Springer Sturg. M.	.03	Apr. 5	Mar. 16
Stadacona M.	.03	Apr. 18	Mar. 28
Stand. Pav.	.50	Apr. 1	Mar. 1
Do. pf.	.62½+.50	Apr. 1	Mar. 1
Stedman Bros.	.20	Apr. 1	Mar. 15
Steel Co. of Can.	.75	May 2	Apr. 7
Do. pf.	.75	May 2	Apr. 7
Sterling Trusts	1.50	Apr. 1	Mar. 15
Sullivan Cons. M.	.04	Apr. 25	Mar. 25
Sun Life	5.00	Apr. 1	Mar. 16
Super Serv. 4½% pf.	.11¼	Mar. 15	Feb. 22
Do.	.11¼	June 15	May 23
Do.	.11¼	Sept. 15	Aug. 22
Do.	.11¼	Dec. 15	Nov. 22
Sylvanite G.	.01½	Apr. 1	Jan. 20
G. Tamblyn	.25+.05	Apr. 1	Mar. 11
Do. pf.	.50	Apr. 1	Mar. 11
Thrift Stores	.25	Apr. 1	Mar. 15
Tip Top Can. A	.25	Apr. 1	Mar. 21
Tip Top Tail.	.15	Apr. 1	Mar. 1
Tor. Gen. Trusts	1.75	Apr. 1	Mar. 11
Tooke Bros.	.10	Apr. 4	Mar. 15
Toronto Iron	.15	Apr. 1	Mar. 15
Do. A	.15	Apr. 1	Mar. 15
Toronto Mtge.	1.25	Apr. 1	Mar. 15
Traders Fin. A & B	.25	Apr. 1	Mar. 15
Do. pf.	1.12½	Apr. 1	Mar. 15
Tuckett Tob. pf.	1.75	Apr. 15	Mar. 31
Twin City pf.	†.62½	Apr. 1	Mar. 24
United Fuel A pf.	.75	Apr. 1	Mar. 21
Union Gas	.12½	May 2	Apr. 8
United Steel	.15	Mar. 30	Mar. 15
Verney Corp. pf.	.57	Apr. 1	Mar. 15
Viau Ltd.	.25	Apr. 1	Mar. 15
Do. 5% pf.	1.25	Apr. 1	Mar. 21
Victoria Tr.	1.50	Apr. 1	Mar. 21
Wabasso Cot.	.25	Apr. 1	Mar. 12
Waterous Ltd.	.20	Apr. 15	Mar. 31
Wellington Fire Ins.	1.75	Aug. 15	Aug. 11
West. Brew.	.40	Apr. 16	Mar. 31
West Koot. P. & L.	1.75	Apr. 1	Mar. 15
West. Assur.	1.50	Apr. 1	Mar. 25
West. Grocers A	.50	Apr. 15	Mar. 15
Do. pf.	.35	Apr. 15	Mar. 15
Geo. Weston	.25	Apr. 1	Mar. 10
Willson Stat. pf.	1.25	Apr. 15	Mar. 31
Wilsil Ltd.	.25	Apr. 1	Mar. 1
Woods Mfg.	.50	Mar. 31	Feb. 28
Wool Comb.	.40	Apr. 11	Mar. 28
Wright-Har.	.04	Apr. 1	Feb. 25
Young David. M.	.01½	Mar. 31	Mar. 22
Zellers	.50	May 1	Apr. 15
Do. 5% pf.	.31¼	May 1	Apr. 15
Do. 6% pf.	.37½	May 1	Apr. 15

†N. Y. funds. *Initial. ♦Payable 1949.
•On arrears.

Unlisted Mines

Approximate quotations, 3 p.m. March 21, subject to confirmation and changes:

	Bid	Ask		Bid	Ask
Abenakis	3½	5½	Metalore	4½	5½
Advance	3½	5	Mate Yel	2½	3½
Alexander	3	5	Miles RL	4	5
Aljo	½	1½	Mindus	7	9
Ama Kirk	6	7	Mink	3	5
Anna'que	3	4	Mistassini	3½	4½
Argonaut	1½	2½	Moffat H	1	2
Audley	1½	3	Mohawk P	2	4
Auterra	2	3	Murbell	½	1
Aurora Y	—	9	Murmac	13½	15
Baker	1	1½	McManus	4	6
Barb L N	2	4	McCuaig	4	6
Batch R	—	30	Mat Con	30	35
Beaulieu	5	6	Nat Mal	10	12
Beauriv	7	9	Nayb '45	3	5
Bi Ore	33	38	Newcore	5	7
Blondor	2	3	New Aug	10	12
Bouzan	7½	10	New Mal	3	4
Bour C	2	4	Nickel L	8	10
Bradnor	1	3	N Offsets	250	285
Braminco	17	—	Norbeau	60	70
Br Breest	2½	3½	Norcourt	2½	4
Bravo	1½	2½	Norford	1½	2
Bright RL	2	3	Normar	3	4
B McDade	6	8	Nortyne	1	3
Bulldog	28	31	Novele P	2	3
Burley Po	1½	2	Obalski	3	5
Camlaren	4	5	do '45	8	9
Camray	46	49	Oklend	3½	4½
Captain	6	8	Obaska	9	11
Carricona	1	2	Olivet	1½	2½
Cassidy	2	3	Opemiska	14	17
Cent M	6	8	Ortona	5	6
Cock RL	2	4	Pascalis	10	12
Columbier	2	2½	Pelangio	3	4
Con Chib	16	18	Payne	8	9
Con Cop	8½	10	Phelps	1½	2
Courageo	1½	3	Pinnacle	1	2
Craibbe	5	7	Poona Go	½	1½
Croydon	2	3	Presdor	2	3
Cuyuni N	50	60	Privateer	18	21
Delhi	12	16	Quejo	4	6
Derlac	2	3	Quest	2	3
De Sant	2	4	Rajah R L	1	3
Diversified	16	18	Rand Mal	7	9
Dom Mal	1	1½	Raymond	1½	2½
Dona Pat	1	2	Randona	2½	4
Durham	7½	10	Rebair	12	15
Doris	1	2	Redruth	1	3
Echo Ind	2½	4	Redwood	6	7
Elmac	4	5	Richgroup	7	8
Erin Kirk	1½	2½	Russet	3½	4½
Flicka	1½	2½	Rhyolite	4	5
Forty-Four	97	102	Salmita	4½	6
Gan Cop	9	11	Santiago	9	11
Gilbec	1	2	Sepha	2	4
Goldpac	12	15	Sheldon	11	13
Goodrock	1	2	S Dufalt	4	6
Gord Lebel	1½	2	Silv Arro	3	5
Gov Gold	3½	5	Sovereign	6	9
Grnd Chib	15	20	Skynner	1	2
Greenlee	5	6	Starlight	4	5
Grndhog	5	10	Sun-Bear	3½	4½
Gwillam	15	17	Thornhill	1	2
Halden	3	4	Tiffany	1½	2½
Habitant	2	3	Tobico	2	3
Harp Mal	3	3½	Tovarich	1	2
Hornfault	7	9	Viking	15	20
Hayes Cd	½	2	Val d'Bel	3	4
Hugh Pam	8	10	Vinray	3½	4½
Independ	4	5	Wesley	1	2
Islepines	33	38	West RL	2	3
Joannes D	1	3	Wilwood	½	1½
Kamlac	17	18	Y Davids	16	18
Ken Bay	4½	5½	Yelknife	140	165
Kenda Pe	4½	6	do vt	125	128
Kenroy	½	1½	Zolata	18	22
Kingdon	23	28	**OILS**		
L Expanse	7	9	Franco	35	40
L Geneva	8½	10	Granleduc	17	22
Lar-Add	1	3	Home Oil	10	10¼
La Salle	3½	4½	Jupiter	16	19
Lavalie	3½	4	Lingnora	12	14
Legardo	1	3	Major Oil	3½	5
Lennie	1½	3	Nw Ranch	4	5
Le Pine	8	9	Pac Oil Ref	5	6
Louvore	1	1½	Princess	29	32
Mallen RL	5	6	Tower P	28	30
Marbenor	6	8	Universal	2	3
Marquette	1	2	Vermilion	22	30
Mar Bird	3½	4½	Westlock	10½	13
Mary Ann	4	5			

Mtl. BBB Lists Advtg. Glossary

With retail advertisers making an increasing number of price comparisons these days, Montreal's Better Business Bureau thinks a few guiding rules are in order.

Accordingly, it has listed in a bulletin to members the following rules aimed at eliminating the abuse of comparative prices:

Permanent Markdowns

"Former Price, Formerly" — means last price in effect in advertiser's store.

"Original Price, Originally" — means first price in a store in current season. Comparisons with earlier season prices, without qualification, are apt to be misleading.

Temporary Reductions

"Regular Price, Regularly" — means price before temporary sale and price to which the goods should revert after the sale.

Special Purchases

"Usually, Usual price, Usual grade" — terms to express a comparative price on a special purchase . . . should not be used on markdowns.

Claims of Savings

"Savings of one half to one third, Savings of $5 to $15, etc."—should mean savings based on current competitive prices, unless otherwise qualified; e.g., "savings of one half to one third on former prices."

The term "value" should not be used to express a comparative price; same applies to "worth."

Any form of price prediction should not be used.

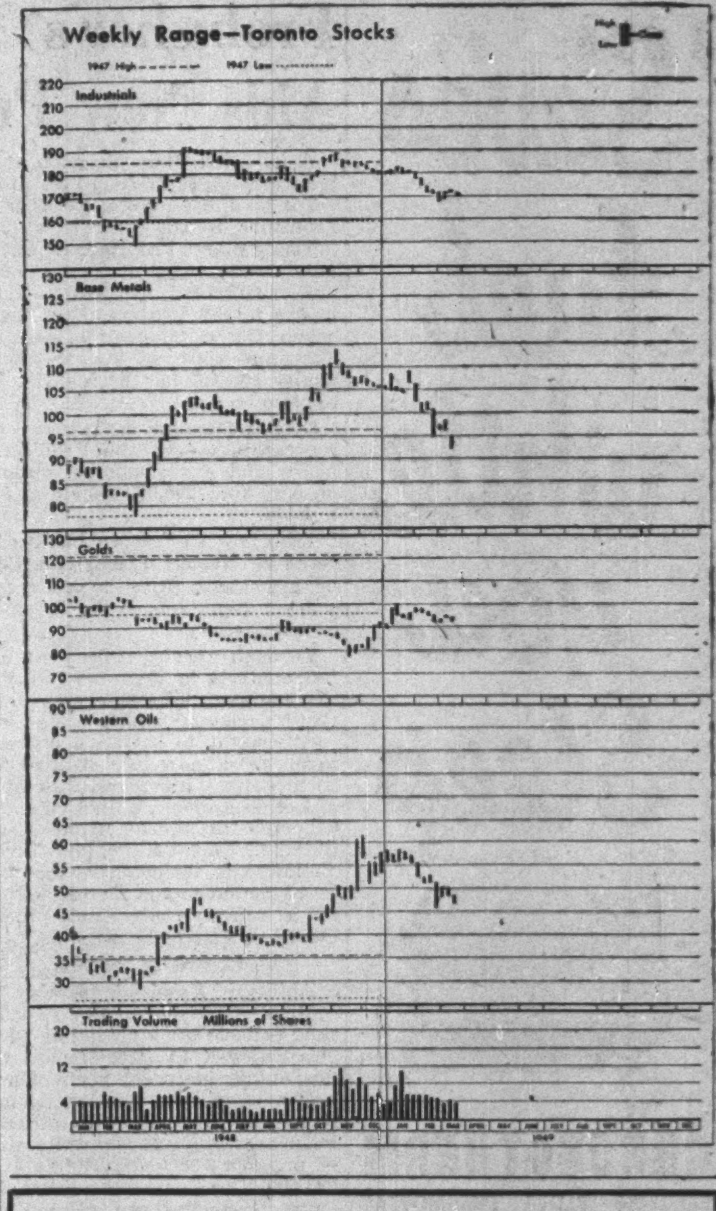
Words "up to" should not be employed without using minimum and maximum comparative prices. General underselling or lowest price claims should not be resorted to. Also expressions such as "selling elsewhere," "price in other stores," "should be," "should sell for," "made to sell for," should be eliminated from advertising.

Many abuses or exaggerations of comparative prices, it is noted, may be avoided by confining them to one's own store: for example, "our regular price," "our usual price," etc.

Municipal Bonds

March 22, 1949

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria	3¾	'55-66	97½	100	3.79
Vancouver	3	'67	89	92	3.58
Calgary	3½	'62	98	101	3.44
Edmonton	3½	'60	98	101	3.39
Regina	3	'64	90	93	3.49
Moose Jaw	3-3½	'60	94	97	3.50
Winnipeg	2¾	'66	92	95	3.12
Ottawa	3	'54	101½	103½	2.43
Toronto	2¾	'72	92	95	3.11
Hamilton	3	'60	98½	100½	2.94
Windsor	2½	'75	73¾	76¾	3.90
Quebec	2¾	'66	90	93	3.38
Halifax	3	'66	92	95	3.31
Saint John	3½	'65	98	101	3.34
Windsor	2¾	'75	78	81	3.90
Windsor	3½	'75	90½	93½	3.90
Montreal	3	'70	92	95	3.38



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Frobisher's New Million Dollar Deal Aids New Projects, Improves Outlook

A million dollars placed in the treasury of Frobisher Ltd. this week by the purchase of 500,000 Frobisher treasury shares at $2 not only places Frobisher in probably the strongest over-all financial position of its history, but brings to the Ventures-Frobisher group the assistance of Nesbitt Thomson & Co. at a time when equity capital has been difficult to raise for mining.

Nesbitt Thomson & Co. receives representation on the Frobisher board and a six months' option on a further 200,000 shares at $3 a share.

Frobisher shares are being offered by Nesbitt Thomson & Co. as principals; price is based on market quotations on the Toronto Stock Exchange.

Through recent retirement of indebtedness to Ventures Ltd. by the issue of 800,000 shares and latest financing which brings issued capital to 4,418,956 shares, Frobisher is now in a position to further its Connemara, Kilembe and other projects. With dividends expected to accrue from New Calumet, United Keno, and Giant Yellowknife, the company may be in a position to consider dividend at a much earlier date than would otherwise be possible.

A Record of Success

Ability of Frobisher to raise $1 million of outside money at this time reflects the outstanding success enjoyed in development of new mines in recent years. Market value of quoted securities today stands (Oct. 31, 1948) at $11.4 millions, while cost less write-offs of unquoted securities totals $1,685,800. The Connemara and Kilembe properties are carried at $1,400,835 while investment in other mining companies is $442,634.

Chief shareholdings of Frobisher in January, 1949, The Financial Post can report, are as follows:

	No. of Shares
Giant Yellowknife	1,124,158
New Calumet	975,139
United Keno	709,239
Guayana	616,945
Akaitcho	1,140,300
Joliet-Quebec	1,176,400
Eureka Corp.	102,625

Dividend income is already being received from New Calumet Mines with an initial 10 cents paid earlier this year. Profit of New Calumet for 1948 was $909,000.

United Keno Hill is expected to be a big winner for Frobisher. It has already demonstrated an ability to earn at a rate of 40 cents per annum; profit for 1948 is estimated officially at approximately $700,000. The company is in the process of increasing mill capacity from 125 to 250 tons daily.

An average of 235 tons daily of ore of 0.84 oz. grade was treated by Giant Yellowknife in 1948. Ore reserves at the end of the year were 3,035,000 tons averaging 0.41 oz. the Frobisher prospectus shows. The company is working towards an immediate objective of 500 tons but it is stated that eventually the mill is expected to be increased "several fold" with a large and profitable production established. Milling started on May 12, 1948.

Guayana Mines from Sept., 1947, to Dec., 1948, treated 70,246 tons of ore averaging 0.72 oz. gold per ton. A decision has been made to step-up milling capacity from 250 to 400 tons daily and an ultimate capacity of 600 tons daily is anticipated.

One of the biggest potential profit-makers in the Frobisher set-up is the wholly-owned Connemara gold mine in Rhodesia where milling is currently being carried on at 250 tons daily. Ore reserves at this property total 712,300 tons averaging 0.24 oz. gold per ton. This operation is currently on a profitable basis and earnings are being ploughed back into development. Mill expansion is proposed at this property which blankets 4½ miles of a gold structure extending for six miles. Part of new finances will be used to liquidate balance of the Connemara purchase price.

Underground work on a modest scale is proposed at the Kilembe mine in Uganda where work has indicated some 1,750,000 tons of ore averaging 3.5% copper plus appreciable copper values.

When Canadian gold mining conditions become more favorable, Frobisher will probably also undertake development of its Akaitcho Yellowknife property, north of Giant, where drilling has already indicated 260,000 tons of ore averaging 0.65 oz. gold per ton cut grade.

Ventures Assisted Through Financing Of Frobisher Ltd.

An indirect beneficiary of new financing by Frobisher Ltd. is its parent company, Ventures Ltd., which in recent years has borne a large part of the financial responsibility of seeing important new Frobisher projects through to the profit-making stage. New financing by Frobisher removes a burden of responsibility from Ventures, making the day appreciably closer when it can expect a return from its investment.

Even after sale of 500,000 shares to Nesbitt Thomson & Co., Ventures owns directly over half Frobisher issued capital and 67% of the issued capital, including holdings of associates.

A short while ago Ventures accepted 800,000 Frobisher shares in payment of $2.4 millions of Frobisher indebtedness. Ventures agreed to accept stock at $3 a share in view of its already large interest.

Both Frobisher and Ventures Ltd. were in the position not long ago of relying on bank financing for Frobisher requirements. This situation no longer prevails.

MINING INVESTMENTS

Copper-Zinc Price Outlook Better Than Lead Prospect

What does the future hold for the prices of copper and zinc? Are they about to duplicate the action of lead which recently dropped from a postwar high of 21½c to 18c a lb.? The answer to these questions holds the market future of Canadian base metal issues. Uncertainty as to the immediate future of base metal prices is apparently responsible for the indecisive action of base metals which has persisted since the abrupt drop in base metal stocks following the second cut in lead.

Early this week the situation looked like this: lead might go still lower because of small demand even after recent price cuts; copper still looked pretty strong at 23½c a lb. despite scrap copper dropping to 17½c a lb. (equal to 19½c for new copper); zinc was still in fairly good demand at 17.50c a lb. with no price reduction on secondary zinc clippings and zinc dross reported.

• • •

Lead Sales Small

"Consumers are still standing on the sidelines in respect to purchases of lead, and even with the market on the basis of 18c New York and 17.80c St. Louis, demand has failed to show an improvement and sales in the latest week were the smallest reported in some time," declares American Metal Market.

Even a 15c a lb. price for lead would be extremely profitable one for Canadian lead producers. It is thought by Canadian interests that there will be a considerable step-up in use of lead with any further price reduction.

Sharp reduction in battery output has been one of the key factor in the break in the lead market. Only 821,000 replacement batteries were shipped in Feb. against 1,243,000 in Jan., 2,254,000 in Feb., 1948.

Both General Motors and Chrysler were closed down in both Dec. and Jan., however, so the sharp drop in demand appears temporary. Battery manufacturers use approximately a third of available lead supplies in U. S.

Canadian price of lead has been reduced to 17¼c a lb. in line with latest U. S. prices.

• • •

Fears Copper Shortage

U. S. Government stockpiling has been more actively undertaken with respect to lead, copper and zinc in recent months and may prove quite a factor in "holding the line" as far as the price of copper is concerned. The president of a leading U. S. brass producer still expresses fear the production will be curbed in 1949 because of unavailability of copper.

Primary producers of copper in the U. S. express no concern about the price of copper even though the price of copper scrap has been dropping. "It is felt that while the wire mills continue to take good tonnages of copper and deliveries of substantial tonnages have to be made against outstanding contracts with the government for stockpiling purposes, nothing of an adverse nature can happen to the price of copper," declares a U. S. metals' trade journal.

The prolonged shutdown at Kennecott in Utah, recently concluded, has had a marked effect in restricting supplies of primary copper.

• • •

Steel, Key to Zinc

Key factor as far as the U. S. price of zinc—and elsewhere in the world—is concerned, appears to be demand for zinc for galvanizing steel. So far this demand has been well maintained in the U. S. arena and trade sources do not expect a cut in the 17½c a lb. zinc price as long as this continues. Stockpiling is also fortifying the zinc market.

• • •

If the prices of copper and zinc are to remain for an extended period at present levels, investors who dumped their copper and copper-zinc issues when the price of lead was slashed may have been rather precipitous in their action. The drop in many copper and copper-zinc issues was just as marked as for the lead producers who were the only ones actually affected.

Even if prices of lead, copper and zinc, should all be shaded, it is doubtful if the search for new base metal mines would be materially affected. Present prices are from 100% to 200% higher than prewar levels, and very satisfactory as far as profit incentive is concerned. Actually Canadian base metal mines might prefer a slightly lower level of base metal prices so that there will be no stimulation of overproduction.

New Jason Drifting Runs Rich In Work West on No. 1 Vein

Much higher than mine average values have been persisting recently in drifting west in the hangingwall section of No. 1 vein on the 6th level at New Jason Mines.

Last 12 rounds reported by Mine Manager L. G. White assayed as follows: 28 in. $95.20; 42 in. $229.25; 54 in. $175.00; 18 in. $9.80; 32 in. $75.95; 6 in. $323.75; 18 in. $5.25; 30 in. $40.25; 54 in. $172.00; 30 in. $25.20; 20 in. $131.80; 12 in. $253.75.

For last 70 ft., drifting has averaged $114.80 in this section, if high assays were cut to 5 oz., or $32.20 if high values are cut to 1.0 oz. Drifting in the high grade is being continued west.

New work on No. 1 porphyry vein at upper levels includes drifting, raising and diamond drilling, following establishment of 665 ft. length averaging $41.30 over 29 in. on 7th level.

Drifting on 6th level has shown consistent high values to west, as indicated above. No. 1 raise from 6th to 5th level is now up 55 ft., averaging $32.20 over 21-in. width, cut grade.

No. 2 raise from 7th to 6th level was in high grade all the way. The 705 No. 1 raise from 7th to 6th in the greywacke area cut good values and is now at 6th level horizon, with station cutting in progress.

Crosscut is being driven from old workings on No. 5 level to reach No. 1 porphyry vein, with about 200 ft. still to go. Advance flat drilling on 5th level cut vein in two places, showing good values, one hole reporting $71.75 over 34 in.

A wire from property last week reported that a flat drill hole put from old workings on 4th level cut upward extension of No. 1 porphyry vein, showing 48 in. of mineralized material.

Freighting operations are reported making good headway and management is now assured of complete delivery of new supplies and equipment for milling operations, expected to resume in July at 150 tons daily.

ELDER MINES reports the following wire received from its Manager A. H. Honsberger: "Hole 6-2 drilled in advance of shaft crosscut 1,200-ft. level intersected No. 1 vein 325 ft. southwest of shaft station and at previously undrilled horizon. Core length of 43 ft. 0.234 oz. ($8.19) with setimated true width of No. 1 vein at this point minimum of 20 ft."

EAST SULLIVAN MINES reports that Noranda Mines has purchased $200,000 of 5% first mortgage bonds and a certificate for 5,000 shares of stock has been issued to Noranda in accordance with the agreement of Feb. 12, 1948. There are 4,050,000 shares now issued.

E. G. ROBINSON

has been appointed a vice-president of Shell Oil Co. of Canada, in charge of Alberta operations.

Powell Mill At 400 Tons

Cost-Aid Results in Doubling of Realized Operating Profit

Milling rate of 400 tons daily is being maintained in 500-ton mill at Powell Rouyn Gold Mines, The Financial Post is informed.

Reopened recently as a custom plant, mill is getting bulk of ore from Donalda and Anglo-Rouyn, with limited tonnage of Powell ore also being treated.

Operation of Powell mill is supplementary to company's regular shipment of silicious gold ore to Noranda smelter.

Cost-Aid Helps

Year's mine operating profit to Mar. 31, 1949, is expected to be close to $75,000, plus about $90,000 cost-aid. Substantial improvement in operating profits is expected from reopening Powell mill as a custom installation, and greater demand from Noranda for Powell ore for flux is anticipated in current year's third quarter when concentrates start flowing to Noranda from Quemont operation.

Broken ore in stopes exceeds 60,000 tons and mine position has been improved by further development work.

Mine development is under way to south on 2,150, 2,300 and 2,450-ft. levels. At 2,150-ft. horizon drift has been carried beyond the "D" and "E" stoping areas on 1,750-ft. level and is now in ore of mine average grade. Lengths of 1,200 ft. are to be traversed to south on 2,300 and 2,450-ft. levels.

On 1,200-ft. level, north crosscut is approaching zone in which a northwest vein has been disclosed on 900-ft. level. Latter has length of 350 ft. opened up by drifting and runs 0.175 oz. gold across an average width of 6.0 ft. Drift development on 1,200 level should be under way next quarter. As this ore structure hasn't main ore body's high silica content, its ore will be treated in company's own mill.

American Metals Co. Launches Program South of Great Slave

From Our Own Correspondent

EDMONTON — Officials of American Metals Co. of Canada have reached Edmonton on their way to the south shore of Great Slave Lake to launch an intensive diamond drilling program in search of lead and zinc deposits. They are Dr. C. P. Jenney, Toronto, manager and chief geologist, and J. McGregor, Toronto, geologist, who will be in charge of the project.

They arrived a day after it was announced at Ottawa that the company had been given exclusive prospecting rights for three years over an area of 265 square miles.

The 265-square mile concession lies immediately west of an original concession of Consolidated Mining & Smelting Co. and Ventures Ltd. This team has a concession of 320 square miles just east of the original concession.

Dr. Jenney said it is planned to have three drilling rigs in operation. It is hoped to get the work started before the snow and ice leave low-lying locations.

Crews are being organized for the drilling program. It is expected there will be 20 drillers and seven geologists. One of the first steps will be to make an aerial survey to determine location of base camps and other facilities.

Company hopes to find lead and zinc on a large scale; representatives said the finds will have to be large to justify development, which would mean construction of a smelter and building a railway. The venture must be "big or nothing," it was stated.

Springer Sturgeon Paid For Claims

A payment of $145,000 has been received by Springer Sturgeon Gold Mines, representing the final payment on an option to purchase a group of claims in the Allard Lake area, north shore of the St. Lawrence River, Que.

Previous payments on the option totaled $25,000. Over-all payments for the property thus total $170,000.

GOLDORA MINES is currently drilling hole G-8 parallel to and 100 ft. west of the recently completed hole G-7 which was drilled to about 280 ft. Since it now appears that the interesting area may contain steeply-dipping veins, which may have been missed in vertical holes, the present drilling program is designed to test this possibility. The vein structure yielded an average of 0.02 oz. gold over 15.0 ft. in hole G-6, 0.675 oz. over 6.0 ft. in G-1 and 0.12 oz. over 2.0 ft. in hole No. 11.

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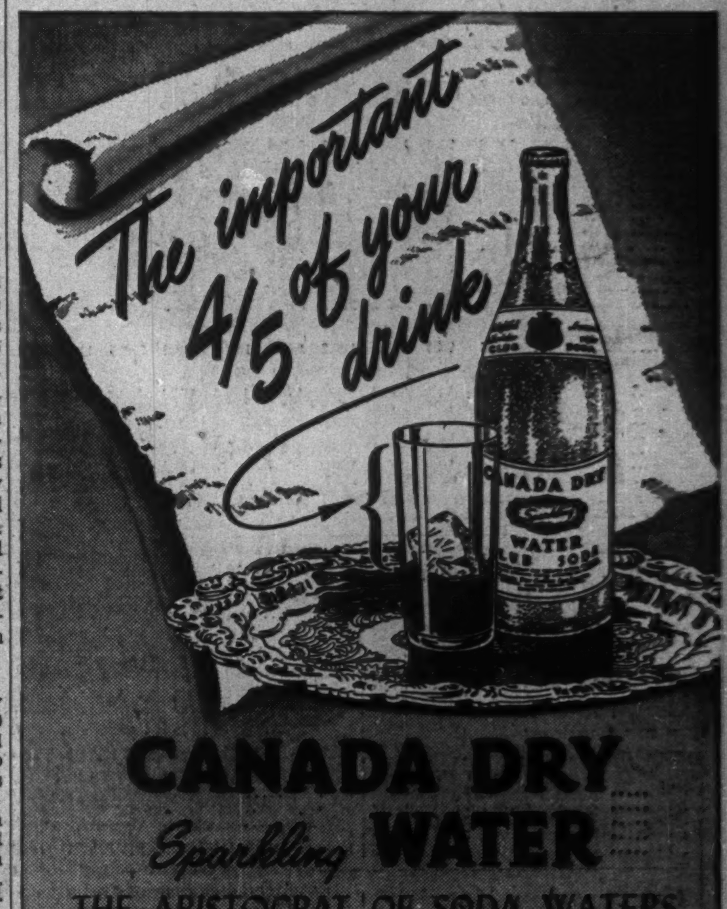
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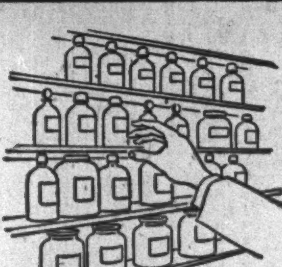

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Western Oil Output Now Approximates Full Prairie Province Requirements

By GORDON M. GRANT

A 30-year-old Canadian dream has finally become reality—Western Canada oil wells can now meet full Prairie Province requirements of crude oil.

When 645 Alberta oil wells turned out a daily average of 58,364 bbls. of oil the week ended Mar. 14, 1949, this goal was very close to attainment. Allowing for additional production of petroleum from the Saskatchewan side of the Lloydminster field, over-all output probably exceeded 60,000 bbls. daily, the maximum crude Prairie Province refineries can handle, operating at capacity.

In the extra week which has elapsed since Mar. 14, 1949, further Leduc and Redwater wells have been added to the list of producers. Over-all western output today is probably crowding 65,000 bbls. of oil a day — the Prairie Province daily consumption of oil products—even after allowing for voluntary restriction of production at Redwater to 650 bbls. per well daily.

Pipelines Needed

Prorationing of western oil production will likely become extended as the potential for producing oil builds up far beyond requirements of the Prairie Provinces. Completion of Imperial Oil's 100,000 bbls. a day capacity Edmonton - to - Regina pipeline, scheduled for 1950, will help to extend the market for Alberta oil. But extension of pipelines beyond Regina to U. S. and/or Eastern Canada markets will be necessary before the oil marketing problem is fully resolved. A growing possibility is that the extent of Alberta oil resources may be such as to warrant pipeline facilities to the B. C. coast as well.

Three important factors are expected to contribute to a rapid build-up in western productive potential in coming months:

1. The Redwater and Schoepp fields, with their extremely thick pay zones, lend themselves to a very large output per well. (In the week ended March 14, Redwater with only 14 wells turned out more oil than Turner Valley with 278 producers.)

2. Emergence of further new oil discoveries such as Schoepp, Barrhead, Bon Accord, Joseph Lake, Whitemud, etc., will likely mean a step-up in the over-all rate of drilling as more rigs become available.

3. Large-scale drilling plans of Royalite and other newcomers who can buy productive acreage from the Alberta Government can be expected to expand output potential; and the necessity of drilling offsets will probably require a steady expansion of drilling activity by established operators such as Imperial Oil.

Price Situation

As Alberta oil is sent farther and farther afield seeking a market, some further reduction in the price of petroleum may be experienced because of freight costs into other markets. Rail transport, of course, is much more expensive than pipeline "haulage" so that a part of expected price cuts will probably be restored when adequate pipeline facilities become available.

Gross dollar value of oil production revenue going into companies' treasuries is already enormous—probably at a current rate of close to $50 millions a year after deduction of crown royalty but before deduction of well operating and drilling expenses. Gross oil production income of Imperial Oil, for instance, probably is around $20 millions a year. Of course, Imperial Oil and others are conducting exploration programs whose costs run into many millions as well.

With oil becoming big business in Alberta, "oil fever" has caught hold in the west. Edmonton is striving to wrest from Calgary the title of oil capital of Canada due to its location close to the Leduc, Schoepp and Redwater oil fields. Removal of the Alberta lands office to Edmonton was a blow to Calgary where most of the oil companies make their headquarters. But its still anybody's fight. In Edmonton, the city itself plans to form "The City of Edmonton Mineral Rights Development Co." for possible action on the search for oil within the confines of the city.

A current joke in the west is that Edmontonians are beginning to see the advantages of their wide streets. There will be room enough to put a row of derricks all down the centre of Jasper Ave., Edmonton's main street!

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Dickenson Grade Moving Upward

Distinct improvement in average grade of ore milled at Dickenson Red Lake Gold Mines has been achieved recently, The Financial Post is informed.

In Jan., average grade of mill feed was $8.33 a ton, while in Feb. grade rose to $8.60. For first 13 days of March, average grade increased to $9.85, and further increases are anticipated, management reports.

At start of milling, ore milled was drawn entirely from taking down of backs preparatory to stoping; dilution was excessive. Gradually this feed has been used up and as new ore is coming from actual stoping operations, dilution can now be better controlled.

In addition, there is an increase in proportion of mill feed coming from high-grade "C" zone and considerable further improvement in grade is expected as this area comes into full production.

OIL PRODUCTION

How Big is Schoepp Well $64 Alta. Oil Question

From Our Own Correspondent

CALGARY—How big a well is the Schoepp No. 1 (Golden Spike) discovery well of Imperial Oil going to prove?

As the productive pay zone has been shown by successive drill stem tests to be far thicker than anything previously experienced in Canada, guesses are that the productive potential of this well might prove spectacular, even though gas pressure may not be anything out of the ordinary.

The 313 ft. of pay zone down to 5,675 ft. so far indicated without any sign of the bottom being reached, suggests over seven times as much oil per acre as at Leduc, over twice as much oil per acre as contained in the most productive ground found at Redwater.

Early this week, one western oil man hazarded the guess that a big well like this might have a potential as high as 10,000 bbl. a day. Of course, actual production will depend on (a) the most efficient and economic productive rate and (b) limit placed on the well's production by current marketing requirements.

* * *

New Reservations Granted

Over 600,000 acres of Alberta crown rights in the southern part of the province were given out to the oil industry in exploration reservations last week, with total acreage under reservation now close to the 50 million mark.

Two thirds of the acreage (440,280) was taken up by four subsidiaries of Imperial Oil; Sirius, Padol, Soica and Stromo Petroleums. Block is about 150 miles east of Calgary, adjoins Sask. border between Twps. 32 and 38, Rges. 1 to 5w4.

Immediately east in Sask. is block of leases where Superior Oils, General Petroleums and Bata Petroleums drilled two wells last year, finding heavy crude in the Cretaceous. Exploration of the Imperial ground will probably be for oil in the Devonian.

Barnsdall Oil - Honolulu Oil Corp.-Seaboard Oil, which will drill a deep test between Calgary and Lethbridge, have taken up a further 125,530 acres under reservation in the same area. Socony has taken a reservation on 67,760 acres just north of the Montana border.

* * *

Hudson Bay Enlarges Plans

Hudson Bay Oil & Gas (jointly owned by the Hudson's Bay Co. and Continental Oil of Delaware) plans to spend $4 millions on western Canada oil exploration in 1949, five times 1948 expenditures.

On formation in 1926, Hudson Bay Oil & Gas took over four million acres of oil and gas rights held by the Hudson's Bay Co. in the Canadian West. After wildcatting proved unproductive of oil, a deal was made with Imperial Oil which gave the latter a refusal on Hudson Bay lands; this deal has about two years to run. Successful wells have been completed on Hudson Bay land both at Turner Valley and Leduc.

Hudson Bay Oil & Gas is working with several partners; has taken out extensive Alberta reservations. A discovery well, North Kitscoty, has been placed on production following exploration program in Lloydminster field's Alta. section. With B.A. Oil, Hudson Bay has put up over $2.5 millions for 800 acres at Leduc; plans at least three deep tests on its own account this year, all in southeast Alta.

* * *

Bon Accord Halts Drilling

Imperial Oil's Bon Accord No. 1 success in Devonian has plugged back to take production from Devonian D2 zone after finding water in D3 zone lower down.

Casing is to be set to 3,650 ft. and 23 ft. section down to 3,608 ft. will be perforated next to productive horizon. First testing of this zone brought flow of 35 API gravity oil to surface in 39 min., with no sign of water. Water was found just below, however.

Bon Accord well is located about 26 miles N.E. of Edmonton and closer to the Alta. capital than Redwater.

Imperial Oil will complete new wildcat, Imperial Griesbach No. 1, on the central Alta. plains about 15 miles east and five miles north of Edmonton. Well was spudded Mar. 13, set surface casing Mar. 17, is now drilling below 1,000 ft.

Well is 5½ miles north, three-quarters of a mile east of Imperial Androssan No. 1 dry hole.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

McKENZIE RED LAKE GOLD MINES experienced a $6,167 net loss in 1948 against a 1947 profit of $8,347, but President H. G. Young declares: "ore position at end of year was distinctly improved and we are optimistic about further improvement this year."

Striking development has been discovery of large new ore body in "central" area between north and south mines at 10th level. This zone has been tested for 300 ft. along the dip.

In five holes, following intersections were secured: $11.90 over 3.5 ft.; $14.70 over 4.4 ft.; $37.50 over 2.2 ft.; $78.40 over 2.3 ft.; and $84.00 over 4.1 ft. Ore body is stated to have been extended along strike for 300 ft. with intersections of $4.20 over 2.8 ft., $37.10 over 3.0 ft., and 4.20 over 2.2 ft.

For first three weeks of Jan., 846 tons of ore from new ore body averaged $11.50 a ton. Stoping grade is expected to be higher, with two months likely to elapse before considerable development and stoping carried out in ore. It is hoped that with careful supervision, $10.62 grade of fourth quarter of 1948 can be maintained.

INCOME ACCOUNT

Years Ended Dec. 31	1948	1947
Mine output	$713,112	$693,499
Less: Oper exps.	781,220	674,507
Net oper. loss	68,108	*15,992
Add: Cost Aid	87,722	......
Other income	4,252	7,605
Total net earns	23,866	*31,597
Less: Deprec.	30,033	16,250
Net loss & deficit	6,167	*8,347
*Profit or surplus.		
Earn. per share	d$0.002	$0.003
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & bullion	$270,166	$294,830
Cost aid	36,490	......
Accts. rec.	14,616	22,611
Stores, etc.	[illegible]	[illegible]
Total curr. assets	504,025	[illegible]
Dep with Hydro§	5,000	5,000
Devel. & mine exp.	20,272	26,478
Misc. assets	7,916	280
Investments	625	625
Min. prop. & rts.	1,610,081	1,610,031
Bldgs. & equip.*	63,781	76,309
Total assets	[illegible]	[illegible]
Bank overdraft	998	24,446
Accts. payable	22,339	23,425
Total curr. liab.	23,337	47,871
Common stock	2,227,749	2,227,749
Deficit	37,616	37,056
§Incl. in curr. assets in co's report.		
*After deprec. of...	524,068	503,843
Working capital	480,488	[illegible]

OPERATING STATISTICS

	1948	1947
Tons milled	75,967	67,548
Average recov.	$9.39	$10.27

FROBISHER LTD. in its annual report for year ended Oct. 31, 1948, reports that "out of eight major enterprises started . . . New Calumet has reached the dividend stage and three others are now well established and on a profitable operating basis."

As dividend income was only minor last year, a loss of $201,478 was reported.

Pro forma balance sheet at Oct. 31, 1948, giving effect to subscription by Frobisher of 800,000 shares at $3.00 a share to retire indebtedness, and purchase by Nesbitt Thomson Co. of 500,000 shares at $2.00 a share, shows great improvement in company's current financial position.

Working capital, exclusive of value of investments, was $1,123,705, as against excess of current liabilities over current assets of $823,566 year before. Deferred advances of $373,338 are also wiped out in latest statement.

Improvement company's main operations is reviewed on page 27.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1948	1947
Divd., int., rec.	$6,847	$9,460
Mngment fees	5,719	8,840
Less: Admin. & gen. exps.	42,301	69,186
Interest	21,724	33,631
Net loss of:		
Connemara oper.	125,062	150,693
St. Donald oper.	24,057	55,561
Net loss & deficit	201,478	290,771

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	‡1948	1947
Cash & bullion	$1,162,050	$36,125
Accts. rec.	29,953	24,165
Invent. & supplies	136,374	152,325
Total curr. assets	1,328,377	212,615
Investments†	4,180,463	4,026,603
Advances	454,879	254,402
Prep. & def. chgs.	22,228	22,855
Expl. & def. dev.	961,237	731,004
Ruth & Lucy int.	......	156,648
Mining props.	363,176	372,363
Bldgs. & equip.*	512,331	368,719
Total assets	7,823,291	6,145,309
Due bank	......	720,040
Accts., etc., pay.	204,672	310,141
Total curr. liab.	204,672	1,030,181
Def. advances	......	373,338
Capital stock	8,846,257	5,446,257
Less: Deficit	755,277	553,799
Spec. def.	472,361	156,768
*After depr. of	423,027	309,135
†Mkt. value	11,460,254	11,775,396
Working capital§	1,123,705	‡823,566

‡Excess of curr. liabs. over curr. assets.
§Not including investments.
‡Pro forma after sale of 1,300,000 shs., and retirement of bank loans, advances, etc.

BOBJO MINES reports outstanding events affecting its position in 1948: substantial increase in earnings for Dominion Magnesium, in which 42,490 shares are held; work resumption at Atlin-Ruffner gold-silver-lead-zinc property, following lead and zinc price advances; starting new diamond drilling program to test four new anomalies at Nickel Lake Mines, in which Bobjo holds 245,500 shares; improved position of God's Lake Gold Mines (in which 156,816 shares are held) through sale of power plant and mill equipment for shares of Lake Lingman; improved earnings position of American Nepheline, in which 13,832 shares held.

Other shareholders at Dec. 31, 1948, included: Amalgamated Knee Lake 496,183; Sand River 486,875; Tower Petroleum 10,000; New Rouyn Merger 33,861; Lake Shore 200; Forty-Four 27,300; Jowsey Denton 300,000; Bonville 187,000.

Loss in 1948 was $7,806. Balance sheet showed current assets, exclusive of shareholdings, of $3,956, current liabilities of $45,238 (bank indebtedness).

Years Ended Dec. 31:	1948	1947
Interest	$127	$204
Divds. rec.	496	438
Total income	623	742
Less: Admin.	5,916	5,273
Bank int.	1,346	1,136
Prospect exps.	1,167	175
Net loss	7,806	5,842

Resume Work At Diversified

Progress Diversified Minerals, until recently Diversified Mining Interests (Canada), informs shareholders it is intending to resume work on the company's property in Indin Lake sector, Yellowknife, using $100,000 being advanced by Regal Discount Service by way of loan.

Plans call for deepening shaft another 300 ft. to 500-ft. level together with further development, crosscutting and drifting. President Richard Storer states it's expected this work should be ended by late summer; that the mine will then be prepared for a mill. Kilborn Engineering Co. has been retained to manage and continue underground developments at Arseno property.

Statement on Delisting

Shares of Diversified Mining are stated to have been delisted from the Toronto Stock Exchange at board of directors request because lender of $100,000 new capital didn't wish the issue to be listed at this time.

"When the board of directors feel the time is appropriate, and to the benefit of the company and its shareholders, we will apply for listing on the Toronto Stock Exchange at once," President Storer says.

Gold Mines Get $38.26 an Ounce

OTTAWA (Staff) — Average aid to Canadian gold producers under the special assistance payments is $3.26 an ounce, according to Hon. D. C. Abbott.

This means an average price to Canadian producers of $38.26 an ounce. Marginal producers are receiving a substantially higher price.

During 1948, total payments by the Government to gold producers are placed at $10.3 millions. Increase in total production, according to Mr. Abbott, has been about 15%

The Government has put $13 millions in the estimates to cover this item for 1949-50.

Gwillim Forecasts Production in June

Gwillim Lake Gold Mines, which took over Mineral King, Hot Punch and Delphine lead-zinc-silver properties in B. C. Columbia River area, reports good progress being made in preparing for development and production.

Preliminary work, including reconditioning of roads to properties, has started, and mining plant and new equipment has been delivered to Invermere base camp on the railway.

Ore bins and a siding have been built there and company plans to start shipment of high grade silver-lead-zinc ore from partially developed exposures, with revenue anticipated from production next June or July.

Evidence of high grade character of former shipments was recently disclosed in old Hot Punch mine records which show deliveries of ore to Trail smelter averaging 0.08 oz. gold, 49.1 oz. silver, 49.1% lead, and 9.3% zinc. Even taking lead at 15c and silver at 70c, and ignoring other values, it is pointed out the ore works out to $180 a ton.

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LONDON CALLING—*By Adelphi*

Red Blackmail Attempt Complete Flop; Hopes of Merciful Budget Slowly Fade

LONDON—During a week of raw winter weather the stock market staged something of a recovery. One of the causes of the slump was the belief that the reshuffling of the hierarchy at the Kremlin was a prelude to a stiffening of Russia's attitude towards the West.

It is an interesting yet puzzling coincidence that the Communists in France, Italy and even Britain have taken this moment to declare that if there is war with Russia their sympathy and support will be for Russia and not for their own countries. It is true that the British Communists hedged by saying that if there were an imperialist war against the Soviet they would do everything to bring the war to an end. Even so they have made it certain that at the first shot in such a war they will be rounded up and sent to prison.

• • •

Our Communists here have not forgotten their ludicrous performance in the Hitler war. Right up to the declaration of war by Chamberlain they clamored for a showdown against the Nazis. But when Stalin did his infamous deal with Hitler they shouted that Britain was waging a capitalist war against the European democracies. They caused so much trouble in the factories that the Government shut down their paper, "The Daily Worker."

Then Hitler attacked Russia and our wretched, bewildered Commies then proclaimed that Britain was fighting a holy war, and "The Daily Worker" was allowed to resume publication.

• • •

None of us can understand why the Soviet should choose at this moment to make the various Communist parties declare their allegiance to a foreign power. One view is that it is an attempt to blackmail the West into further concessions. If that was intended, it has been a complete flop. All that has happened is a strengthening of the determination to treat the Communists as traitors.

• • •

Will Liberals Join Tories Under Eden?

Anthony Eden is due back any time now from Australia and gossip is busy with his name in political circles. There are rumors that the Liberals are willing to make an alliance with the Conservatives providing that Eden replaces Churchill as leader. This must be regarded first as no more than a rumor and, if it is true, we must recognize that the dismissal of Churchill is the maximum demand of the Liberals and that they might consider a compromise arrangement.

There is no question but that Eden's hour has struck. In his absence the tactics of the Conservative opposition have been weak and vacillating despite a sturdy attempt by Oliver Stanley to put fire into the attack. Eden is far more a Parliamentarian than a public speaker and the whole House now realizes what he means to contemporary politics.

• • •

Cinema Industry Lacks Inspiration

The cinema slump continues to alarm the Government and the industry. Some blame is due to the film critics who have been so consistently contemptuous that they have actually driven people out of the habit of film going. But it is also realized that the cinema, both in London and Hollywood, lacks inspiration and leadership. Except for the exceptional film, the standard of product does not compare with that of 15 years ago.

As in the U. S., there is a growing fear of television although it will be years before the British catch up to the Americans. There is a terrifying vision of a population refusing to leave home at night, with everyone enjoying a ringside seat for hockey matches, prize fights, theatrical productions and even films.

Personally I think the fears are exaggerated. There is an old saying that if Kreisler played the violin for one person, that particular person would not be able to decide how good he was. Neither would 10 people. But an audience of 5,000 would know that he was a genius. Nothing will ever replace, except to a limited extent, the excitement of the crowd.

• • •

Too Few Goods, Too Much Money

However, the cinema slump is not the only one in Britain. Ever since 1945 the pet phrase of the Government has been "too much money chasing too few goods." Now, owing to the heavy taxation policy of Sir Stafford Cripps, we have too many goods chasing too little money. The famous firm of Gamage was the first of the big stores to announce a big drop in profits. Others will follow suit.

Taxicabs, always a sure indicator, are prowling the streets in search of customers. Radio manufacturers are crowded out with undelivered and unordered supplies. Now it is announced that clothing is to come off the ration, and that all textiles will follow.

• • •

Therefore, hopes of a merciful budget are beginning to fade. Because dividends cannot be increased the Chancellor's rake off on profits is limited. Savings are down because people are still paying the capital levy. Motor manufacturers are beginning to announce that they can deliver within a reasonable period.

Because Ernest Bevin, in the Coalition Government, insisted upon a new catering bill covering the wages and conditions of work for hotel employees, the price of rooms and meals has gone up to a level that the people won't pay. Innumerable owners are offering hotels for sale with no bidders.

In fact the Government is discovering, that it is easier to reduce the spending power of the people than to revive it. Net result is that the Chancellor's field of taxation is shrinking alarmingly. Hence the dwindling hopes of reductions.

• • •

However, life in Britain is still good. The natural humor of these Islanders is never completely subjugated, there is much tolerance and good common sense, and flat racing is about to begin again which will allow the Englishman to back his fancy in the 3.30 and thus take his mind off the exasperations of the Socialist paradise.

The buds are still on the trees but they look like debutantes who dressed for a ball and are kept shivering at the front door.

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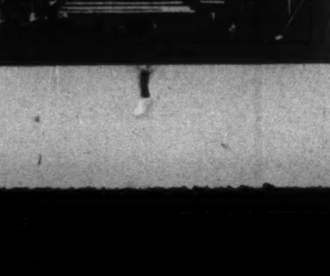


COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN OIL COMPANIES, LTD. 1948 net profit was up 21.3%. Company's postwar expansion program together with an easing in supplies are chief factors in improved showing.

Capital expenditures increased capital assets by $899,282 to $19,886,192. Inventories increased $2 million to $6,198,485. Inventory reserve shows apparent reduction from $180,000 to $153,000 but amount carried at end of 1947 was subject to excess profits tax, while at end of 1948 company actually carried forward entire reserve which is now tax-free.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net income	$2,608,594	$2,450,052
Less: Deprec. res.	967,565	945,505
Bd. & deb. int.	154,421	126,658
Emp. pens. fund	70,000	70,000
Inc. tax res.	529,200	576,300
Net profit	887,408	731,589
Less: Pref. divds.	250,000	238,877
Com. divds.	323,200	323,200
Surplus for year	314,208	169,512
Times Interest Earned:		
Before deprec.	16.89	19.34
After deprec.	10.63	11.88
Earnings per Share and Dividend Record:		
Preferred*	$22.19	$18.29
Paid (8%)	8.00	8.00
Paid (5%)	5.00	5.00
Paid (4%)	4.00	2.88767
Common	1.58	1.22
Paid	0.80	0.80

*Combined 8%, 5% and 4% pref.

CONDENED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$781,148	$902,155
Accts. rec.	1,630,247	1,702,200
Inventories	6,198,485	4,318,894
Total curr. assets	8,609,880	6,923,249
Misc. assets▴	2,254,860	2,144,153
Fixed assets	19,886,193	18,986,911
Total assets	30,750,933	28,054,313
Accts., etc., pay.	3,970,635	2,592,485
Taxes pay.	482,143	360,090
Total curr. liab.	4,452,778	2,952,575
Funded debt	4,500,000	4,500,000
Deprec. res.	10,109,519	9,450,594
Invent. res.	153,000	180,000
Mtge. pay. & def. liab.	908,197	657,913
Capital stock	8,340,932	8,340,932
Surplus▴	2,286,507	1,972,299
▴Incl. ref. EPT	255,627	272,702
Working capital	4,157,102	3,970,674

RENOLD—COVENTRY LTD. net profit of $108,750 in 1948 was 38.2% above the 1947 figure of $78,622. In all respects operations for the year achieved the largest results on record, President K. R. Schofield states.

Sales of January and February of this year were maintained at a satisfactory level and there is every indication that operations for 1949 will approximate those of 1948, Mr. Schofield states. Sales volume is in direct relation to deliveries from suppliers having regard to stocks, and the company is hopeful of improvement in deliveries in 1949.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$219,222	$148,441
Less: Depreciation	6,679	6,819
Reorg. exp.	24,793	....
Inc. tax	79,000	63,000
Net profit	108,750	78,622
Less: Cl. A divds.	4,973	
Com. (old)	18,814	
Surplus for year	84,963	
Earnings* per Share and Dividend Record:		
Class A†	$6.12	$4.43
Paid	0.28	....
Class B‡	9.04	5.86
None paid.		

†Before (‡after) participation.
*Based on present outstanding capitalization.

CONDENSED BALANCE SHEET

As at:	Dec. 31 1948	June 30 1948
Cash	$23,440	$20,110
Accts., etc., rec.	192,386	201,669
Investments†	46,642	46,642
Inventories	262,187	239,048
Total curr. assets	524,655	507,469
Misc. assets▴	33,987	34,989
Fixed assets*	144,114	146,931
Goodwill	10,000	10,000
Total assets	712,756	699,389
Loans pay.	29,392	65,000
Accts., etc., pay.	130,273	112,558
Taxes pay.	54,933	57,580
Total curr. liabs.	214,598	235,138
Capital stock	30,500	30,500
Earned surplus▴	467,658	433,751
†Mkt. value	47,500	47,200
▴Incl. ref. EPT	32,568	32,243
*After deprec. of	40,947	37,715
Working capital	310,057	272,331

LOUIS C. BRUNNER

has been appointed secretary-treasurer of White Motor Co. of Canada Ltd.

Brazilian Net $4 Share, 1948

Based on aggregate net earnings for 12 months of 1948, but subject to year-end adjustment when the annual accounts are made up, Brazilian Traction, Light & Power Co. earned $4 a share on common stock; 1947 share earnings were $3.69.

From now on company will publish its earnings estimates half-yearly, instead of monthly. Experience has shown, the company says, that because of the number and variety of necessary provisions, these monthly figures tend more and more to become estimates.

December:	1948 $	1947 $	Incr. %
Gross earns.	9,040,980	7,968,527	13.5
Less: Expenses, deprec., etc.	6,240,116	5,723,362	9.0
Est. net rev.	2,800,864	2,245,165	24.7
12 Months, 1948:			
Est. net rev.	28,171,432	25,981,384	8.4

CONSOLIDATED DUQUESNE MINING CO. has granted an extension on Mar. 11 installment of 150,000 shares at 50c a share of 60 days and each subsequent installment under the agreement with Elaine Agency Ltd. has been similarly extended.

Manitoba Plans Over $7 Million Road Building

From Our Own Correspondent

WINNIPEG, — A record road building program to cost an estimated $7,175,000, is planned for Manitoba in 1949.

The cost will be met by drawing $2 millions from current revenues, the balance out of capital account.

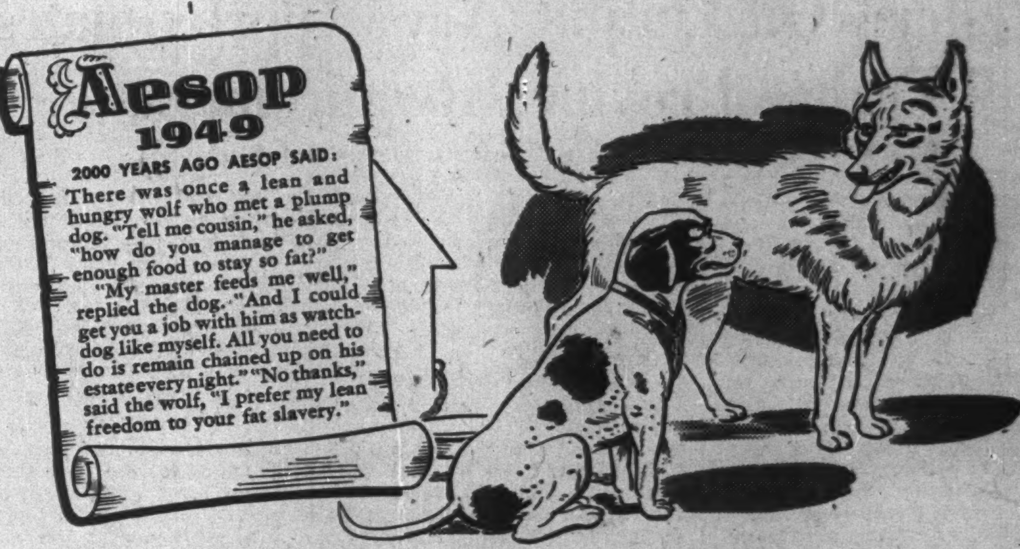
Biggest item is the expenditure on the Winnipeg-Emerson highway which brings into Manitoba the majority of tourists from the United States. The grade for part of it was built last year and $841,590 is provided to finish the grade for a 26-mile stretch north from Emerson and $1,169,760 to concrete surface the grade built last year. Concrete surfacing of the grade built this year will be done in 1950.

Another major item is $987,650 for surfacing part of the Trans-Canada highway west from Brandon to the Saskatchewan boundary. The provinces are still awaiting word whether the Dominion government will make any contribution to building the Trans-Canada but Manitoba is proceeding with its program in any event.

Another piece of major construction is completion of the highway from Cranberry Portage to Flin Flon. The estimated cost of $1,100,000 is being shared 50-50 by the Dominion and the province. The provincial government at its own expense last year built the road from The Pas to Cranberry Portage.

For roads in forest reserves to accommodate tourist traffic, $325,000 is provided. Another $300,000 is set aside for roads in mining areas.

WESTERN TRUST CO. 1948 net profit was $67,144 as compared with $80,327 in 1947. Liabilities to public on guaranteed account have been reduced to $43,810 as at Dec. 31, 1948. Advances to estates, trust and agencies under administration amount to $15,241. Stocks and bonds, debentures and cash on hand stand at $1,313,450. Capital mortgages have increased from $141,222 to $227,350. Estates account was off at $3,926,159 ($4,243,630).



Aesop
1949
2000 YEARS AGO AESOP SAID:
There was once a lean and hungry wolf who met a plump dog. "Tell me cousin," he asked, "how do you manage to get enough food to stay so fat?"
"My master feeds me well," replied the dog. "And I could get you a job with him as watch-dog like myself. All you need to do is remain chained up on his estate every night." "No thanks," said the wolf, "I prefer my lean freedom to your fat slavery."

FREEDOM IS BETTER THAN SLAVERY...

Equal to man's desire for life itself is his desire for freedom. Man is an individual. He demands opportunity for self-expression and personal advancement, realizing that such things are the warp and woof of his very existence.

Men who appreciate this fact cannot and will not accept an economic theory that is designed to crush the individual . . . a theory that strikes at the very roots of human nature. Rather they prefer to construct upon the established foundations of free enterprise a system designed to allow for the natural instinct of self-preservation and the unhampered development of the individual to the betterment of society as a whole.

Capitalism and Free Enterprise are jointly charged by their enemies as being a dictatorship of wealth. An intelligent study of our economic system places these charges in their true light . . . proves them to be malicious propaganda aimed at the destruction of democracy. But even if Capitalism and Free Enterprise were to constitute a dictatorship of wealth, would it still not be preferable to the stifling of individualism by bureaucratic control? For no matter how much the control of wealth alone is exerted, it still leaves the individual with inalienable rights and privileges which are part and parcel of the democratic way of life.

• • •

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BEAVER FIRE INSURANCE COMPANY
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The Leader in the field announces another model

GENERAL ELECTRIC

Television

Studio

Camera

Remote pickup

Illustrated. Home Receiver Model C2511, $599, installation extra.

Canadian General Electric demonstrates its faith in Canadian television by announcing another home receiver. Its first model was introduced last September, almost six months in advance of any other set offered in volume to the Canadian market.

The new model—C2511—is a luxuriously-finished walnut console cabinet with a handsome contrasting grille-front. The picture of 52 square inches is at just the right height for comfortable seeing from your favorite easy chair.

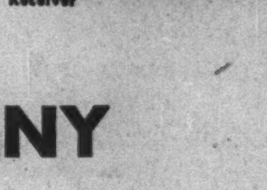
Ever since the first telecast picture glowed on the first experimental viewing screen, this Company has been in the forefront of television equipment design and manufacture.

In addition to leadership in the television receiver field, C.G.E. have already provided consulting and engineering services to almost all the Broadcasters preparing to enter the television field. Today, Canadian General Electric stands ready to design, engineer and install complete facilities for broadcasting television programs—from cameras and other studio equipment to transmitters and antennae—as well as receivers for the home.

Transmitter

Antenna

Picture tube


Receiver

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HEAD OFFICE: TORONTO ::: SALES OFFICES FROM COAST TO COAST
Leaders in Radio, Television and Electronics

The Financial Post

Vol. XLIII | Fifteen Cents an Issue, Five Dollars a Year | Publication Office: Toronto, March 26, 1949 | Member of Audit Bureau of Circulations | No. 13

B. C. Rolls Back Her Industrial Frontiers

'49 Sees Big Development Projects In Power, Pulp, Steel, Aluminum

By WALLACE GILLESPIE

This year of re-adjustment is sketching additional lines in the unfinished pattern of British Columbia.

On the accompanying map, take Vancouver as a centre and draw a circle around it with a radius of 75 miles.

From this nucleus, which now holds 70% of the population of the province, draw three heavy spokes.

Drive one northward through the interior to represent the co-ordinated plan of regional development which centres on the extension of the Pacific Great Eastern—a plan which leads to power and pulp development in its initial stages and later to the coal, wheat, and possible oil resources of the Peace River.

Send the second spoke up the jagged west coast of the province where ambitious plans for aluminum development are now unfolding. It represents at least 35 ships regularly plying the coastline which, up to the present, has seen only spotty development.

Draw the third eastward to the Kootenays. It represents power development at the Arrow Lakes, the initial stages of a steel industry at Kimberley, irrigation development around the Okanagan, and improved highway facilities.

Then, dot across this pattern a number of new forest-based communities, as transient "logging camp" life gives way to a more permanent form of settlement, centred on expanded pulp operations and sustained yield cutting in the woods.

'Fattening-Out' Process

How do these things add up? The common denominator is the conclusion in each case that B. C. is becoming "fattened out"; that the industrial frontier is being pushed steadily back; that there is to be a greater balance of population between the settled southwest corner and the more outlying parts of the province.

Visionary? Unrelated to the marketing problems which now face virtually every one of B. C.'s primary industries as a result of their dependence on dollar-short customers? Unrelated to the disturbing unemployment figures which the province piled up during the recent severe winter?

Market shifts and winter unemployment can be examined in as hard-headed a manner as you like. But you can't escape the fact that much of this "fattening out" process is based on projects which are either (a) under way, or (b) in a sufficiently advanced stage that they can be considered assured.

"Last year," summed up a respected Vancouver observer, "saw the culmination of our postwar planning, the delivery of equipment. It represented expansion in established industries, rather than setting up of new ones.

"This year we find ourselves in a new set of marketing circumstances, and we find several really big new projects on the horizon."

To some extent, the new conditions are the authors of industrial development.

This can be seen in the primary industries. The herring catch can't be sold canned; hence there is considerable expansion in processing plants for oil and meals. Lumber faces curtailment in its accustomed British market, so the shift is strongly to pulp and cellulose.

It can be seen in the secondary industries.

This may point to a pretty fundamental transition in the B. C. economy. Instead of hacking away at its primary resources and loading the raw product on foreign-bound ships, an increasing percentage may be processed at home. The province's rapid expansion in hydro-electric generating capacity, detailed elsewhere in this issue, fits into the picture here.

Repeatedly, in conversations with leading British Columbians, the parallel is drawn between the province's present electrification and the earlier effects of Niagara Falls' harnessing on the economy of southwestern Ontario. The future of cities such as Kamloops, B. C., may become increasingly patterned after Galt, Ont.

Population of 3 Million?

Last month, leading university scientists and government engineers sat together in Victoria at the second annual "B. C. Resources Conference." They were concerned with long-term planning, and one question they wanted to answer was whether the resources of the province could sustain an ultimate population of three million.

Their conclusion was that this could only be done, without loss to the province's high standard of living, "if the resources of the province and its energy potential are wedded more closely together." That spells industrialization.

B. C. sees better chances this year of getting material to support secondary industries. She knows she'll have more iron. She hopes huge amounts of aluminum ingot will be produced along her coastline.

The prospects for a West Coast iron and steel industry are now hotter than they have been for many years.

Consolidated Mining and Smelting Co. has announced that it will construct a pilot plant for the smelting of the mountain of tailings it has accumulated near its Kimberley mine. The process will likely be electrolytic, using power from the subsidiary West Kootenay Power and Light Co. and relatively small amounts of metallurgical coke from Fernie.

B. C. already has a rolling mill, now operating on scrap but capable of expanded operation when pig iron becomes available. Located in the Marpole area of Vancouver, it set out last year with a payroll of 100 men, which has already been increased to 250. The Vancouver market alone absorbs 40,000 tons of steel a year, but the mill can turn out only part of that amount because of the shortage of scrap. It, too, is reported to be interested in its own electric furnace for the handling of ore.

Meanwhile, B. C. industry increasingly feels the pinch of steel quotas.

Substantial iron ore deposits lie within water-haul distance of Vancouver, and plans have been repeatedly advanced for smelting them. Just prior to Consolidated's announcement, prospects were getting brighter for a smelter located on the coast. What room there would now be for two such operations within the province has yet to be explored.

Meanwhile, B. C. iron ore is being shipped south for the first time in 50 years. Coast Iron Co. has been developing deposits at Quinsam on Vancouver Island, and shipping the ore to Wenatchee, Wash., for electric furnace treatment.

Canadian Collieries (Dunsmuir) Ltd., which is gradually shifting its coal operations to more efficiently-handled seams, also has its eye on the possible development of iron ore holdings near Campbell River.

Even without its own pig iron, B. C. is "making things most folks didn't think we could make before the war."

Vancouver Iron Works, for instance, made the penstocks for B. C. Electric's hydro development at Bridge River and is making huge "digesters" for pulp mills. Vancouver Engineering works has handled large-scale turbine installations.

The logging equipment industry presents a notable example, shipping as far away as Newfoundland in some cases. Active in this field have been Canadian Sumner Iron Works, Ross and Howard Iron Works, New Westminster Iron Works, and Hayes-Lawrence.

What additional developments would follow on the heels of any sizeable increase in steel capacity is indicated by the calculation that 21% of Canada's population lies within B. C.'s competitive market in iron products.

Steel will provide the more immediate stimulus for B. C.'s secondary industries, but there are many who hold the aluminum fabrication possibilities are even brighter.

Elsewhere in this issue is an outline of how B. C.'s ample power resources may be the magnet for one or more aluminum plants on the coast; how the realization of any of these plans would mean that a new B. C. community of 50,000 people would spring up amid otherwise primitive surroundings; how a capital investment of $300 millions and an annual production of $100 millions are indicated.

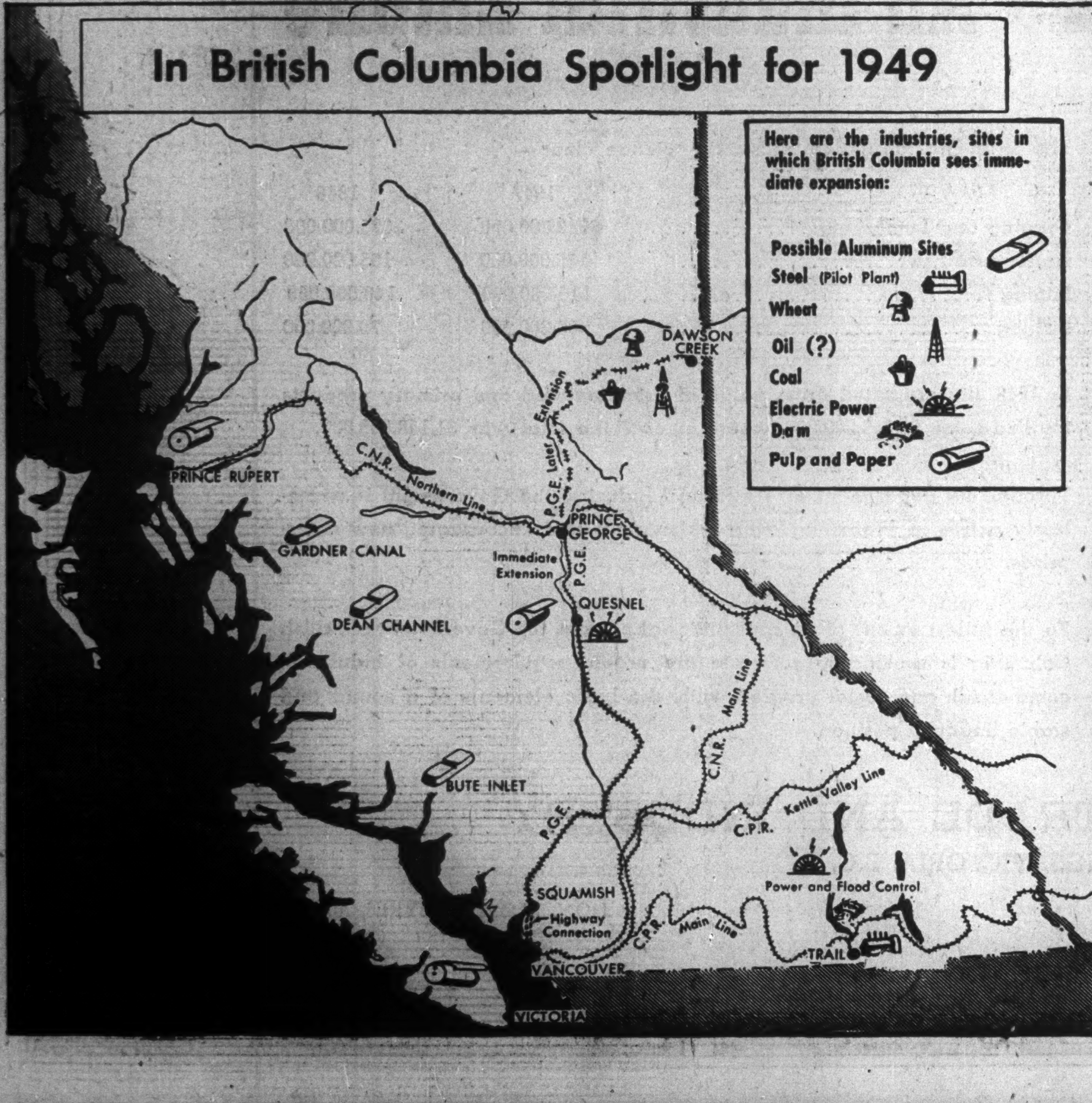
Amid these staggering statistics, the most encouraging is the fact that one interested firm, Aluminum Co. of Canada, is currently spending $1 million on engineering studies alone. This means it's beyond the talking stage at least; it provides ample justification for B. C. considering the possibility of aluminum fabricating plants in the lower mainland.

The history of the aluminum industry to date follows the pattern of efficient private enterprise in that this metal, originally worth $500 a pound and used for watch chains and other jewellery purposes, has been steadily reduced in price over the years until it now sells for 15 cents a pound. Correspondingly, it had seen an expanding market. Some people foresee the day when it will rank with steel as a prop under industrialized society, and, if that's the case, one is almost tempted to lose restraint in assessing the possibilities for aluminum fabrication in the province.

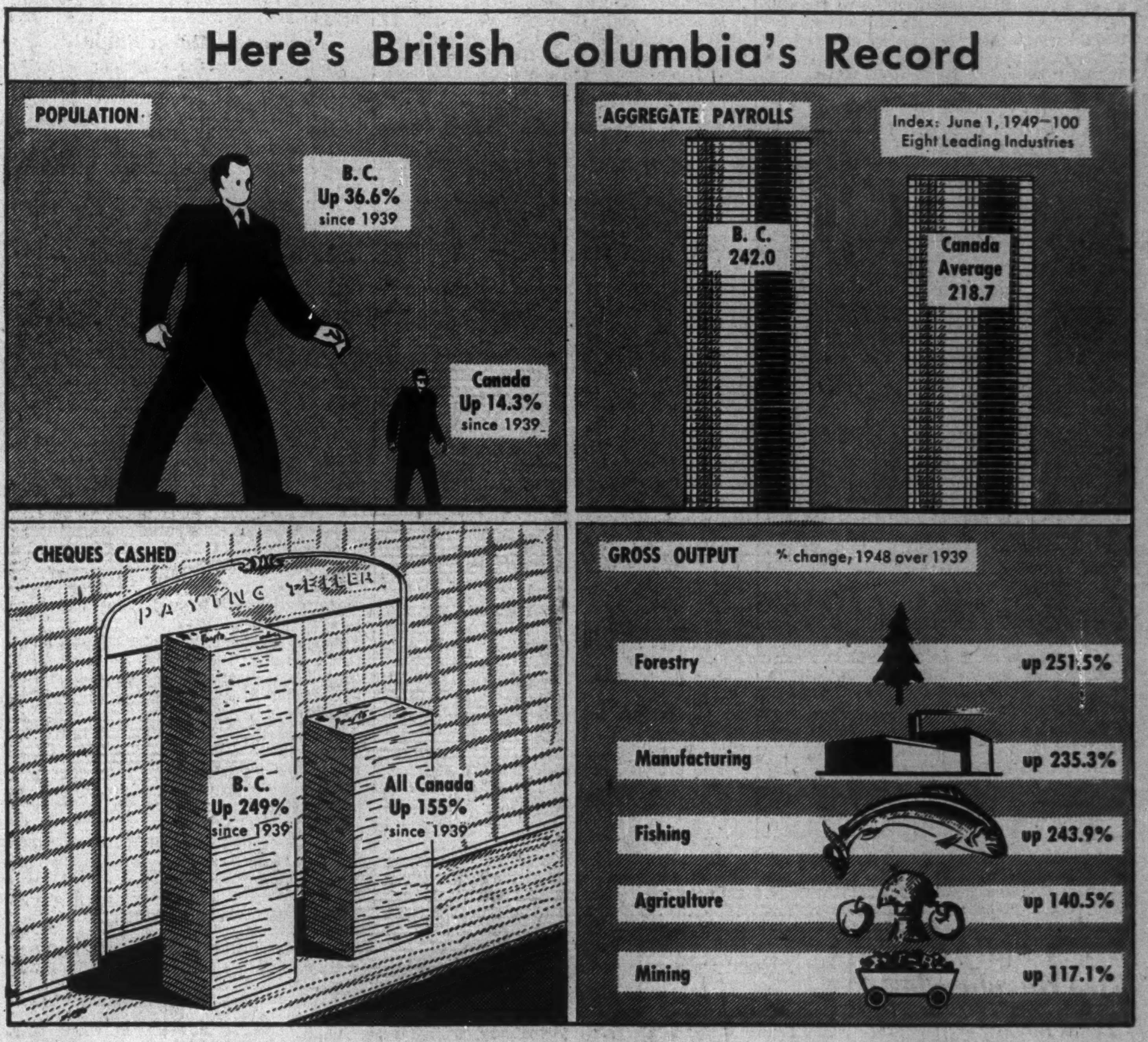
Stimulus to Diversification

B. C., then, finds herself in a marketing position which proves a stimulus to diversification; she is harnessing more power to energize her plants; and she has in prospect an increased volume of metal. But no account of secondary industry in the province

(Continued on page 30)


In British Columbia Spotlight for 1949

Here are the industries, sites in which British Columbia sees immediate expansion:


Here's British Columbia's Record

How Power Expansion Is Planned

Where 180,000 H.P. Capacity Will Be Added This Year

There is a long-standing argument about which comes first: power development or industry.

Both public or private power-generating agencies in British Columbia are committed to the viewpoint that industry follows power.

That is why both are pushing ahead with plans which, when completed, will energize a much larger industrial plant than the province now possesses. That is why the industry as a whole brought 126,550 hp additional generating capacity into operation during 1948; will bring a further 180,000 hp generating capacity into play during 1949.

It was, in fact, rather ironic that the Lower Mainland area was plagued with power shortage this last winter. Just before the province was beset with its unusually dry, cold spell, the privately-owned B. C. Electric had made news by completing installation of an additional 62,000 hp generating unit at Bridge River ahead of the time originally scheduled—an almost unheard of thing these days. If the area had experienced weather conditions which even approximated normal, it could have looked rather smugly at some other parts of Canada.

In addition, the B. C. Power Commission, set up four years ago by the Provincial Government, has been given the "go ahead" signal for developments in areas which, up to the present, have not supported large populations or industries.

Industry Shows Interest

"That industry follows power," the Legislature was told recently, "is well illustrated in the present projects on Vancouver Island. As soon as the government announced building of the Hart power project on Campbell River, industry took notice and we now have operating the Bloedel pulp mill at Port Alberni, using Campbell River power. In addition there are two more such mills in prospect, one of which is actually under construction, and a large cement plant planned—all based on Campbell River power.

"We all remember the development of the southern Ontario country based on Niagara Falls power, and the Pacific Northwest on power generated at Grand Coulee. The Bonneville Power Administration had to turn down 250 applications for industrial power last year, so great has been the pressure of industry right behind the development of power."

This sort of reasoning points to power as one of British Columbia's "face cards" in industrial development.

Potential water power resources of the province are es[illegible]ted at between eight and nine million horsepower (one estimate goes up to 10 million).

Translated, this is seen to be equivalent to a yearly coal production of 40 million tons. Few countries produce that much; only United States, Great Britain, USSR, France, and Japan dug 40 million tons of coal in 1939.

This impressive potential reflects (a) B. C.'s mountainous topography (b) prevailing moisture-laden westerly winds. But the country is relatively new, and there is wide difference between known hydro potential and the amount which has actually been harnessed so far. In fact, for every horsepower which has been developed, an additional seven or eight lie waiting.

Now Over the Million

Big news of 1948 was that, for the first time, hydro turbine installations within the province crept over the one million hp mark. Latest breakdown, which doesn't include new hydro installations during the year, showed a total of 917,024 hp, distributed as follows: central electric stations, 731,167 hp; pulp and paper mills, 130,950 hp; other industries, 54,907 hp.

Here, then, is a review of what has recently been done or what is now under way to capitalize on B. C.'s hydro potential. First a look at the publicly-owned B. C. Power Commission which now has a capital investment of $25 millions, operates 20 generating plants in the less-populated areas of the province, and has added 8,800 new services since its inception four years ago, bringing the total number of customers on its lines up to 31,000.

Whatshan Lake Power Development—Approximately 2,000 ft. of the two-mile tunnel between Whatshan Lake and Arrow Lakes have been driven, and progress is at the rate of 700 feet a month. All major equipment is on order, and it is expected to have the plant in operation in 1950. The first installation, which will develop 28,000 hp, will cost $3½ millions. As need arises, another 28,000 hp installation will be developed on this site.

Work has also commenced on clearing the 132,000 volt transmission right-of-way from Whatshan to Vernon. A 60,000 volt transmission line between Vernon and Whatshan will be completed this Spring, permitting exchange of power between Shuswap Falls Hydro plant in the Vernon area and Baniere hydro and Kamloops steam plants supplying Kamloops. Cost of transmission lines: $1 million. The Kamloops power has been temporarily increased by the installation of a 100 hp unit.

From these developments, greater irrigation facilities will be possible, power will be available

(Continued on page 30)

These Are B. C.'s Boom Towns

Where has new industry been locating in British Columbia? How have her various communities benefited from the province's industrial boom?

Here's a survey by The Post of B. C.'s towns and cities, telling how they're progressing, how they're encouraging new growth. To collect up-to-date details the co-operation was sought of civic officials, industrial development commissioners, heads of Chambers of Commerce.

Population figures are 1941 census compared with 1947 municipal estimates. Manufacturing production and employment figures are a comparison between the latest year available and prewar.

Articles in following pages deal with development in main industries.

Vancouver

POPULATION — 354,150; up 28.6%

PRODUCTION — $270.2 millions; up 166.%

EMPLOYMENT — 31,408; up 74.9%

In the 63 years since the villagers of Granville on Burrard Inlet petitioned the British Columbia legislature for the incorporation of the City of Vancouver, a community of 1,000 has grown into the metropolis of the West Coast.

Mr. Flanagan

Gross revenue in 1886 was $16 million. Last year it was 17 times that. Estimated population of Greater Vancouver: 455,000 (includes North Vancouver City and District; West Vancouver, Burnaby).

Since 1931, Vancouver has been Canada's third city. Her remarkable growth has been due mainly to her geographical position as an all-year tidewater port at the terminus of two great trans-continental railways. Built on two low-lying peninsulas, between Burrard Inlet and Fraser River the city extends east from Stanley Park and Point Grey. Vancouver is the natural distribution centre for the province and much of Western Canada. The city is served by two transcontinental airlines and railways.

But it was the war that gave Vancouver its greatest impetus. Probably no other city in Canada developed as rapidly. Almost overnight, Vancouver changed from being dependent almost entirely on primary industry—lumber, fishing, agriculture—to a thoroughly diversified economy, with more and more emphasis on secondary industry.

The war saw a great development in shipbuilding, aircraft making, manufacturing, building materials, plywood, roofing and scores of other lines. An example is Vivian Engine Works which expanded greatly during the war and which, as a result, is now selling Diesel engines in all parts of the world.

Extent of the post-war expansion may be gauged by the building boom; 1948 permits totaled 8,716 representing $37 millions, an all-time high. Nine recent permits alone total over $8 millions. During the next 10 years the city will spend $50 millions on streets, schools, bridges and viaducts, sewage plants, water works and parks development.

Two major housing projects are nearing completion: Renfrew Heights with 600 homes costing $4 million and Fraserview, a unique development of a wooded tract into a 1,200-home community at a cost of $8 millions. Industrial expansion is controlled through a zoning system under the city's Industrial Commissioner, Thomas DeMar Flanagan, a 22-year civic veteran.

His outlook is typical of that of far-sighted Vancouver businessmen: "We believe our future prosperity to be linked to the full exploitation of the mineral wealth that lies waiting in our hills, in the abundant water power to

(Continued on page 37)

B. C. Rolls Back Industrial Frontier

(Continued from page 29)

is complete without a look at the controversial matter of freight rates.

Interestingly enough, though it is foreign to all of B. C.'s previous thinking on the subject, there are early evidences that part of the B. C. economy is beginning to react in an "Eastern" manner.

As would be expected, the steady rise in the freight rate structure brought forth wails from B. C. As might not be expected, the higher rates are proving "protective" to a segment of B. C. industry. There are several companies which owe either their establishment or their expansion to this protection. It is probably the underlying reason behind a noticeable trend from wholesaling into branch plant operation.

Significant as this reaction may be as an index to the new trend of the B. C. economy, it is probably true that the segment of industry protected by the higher rates is smaller than that which considers itself handicapped by them.

In addition to the across-the-board percentage increases in freight rates, traffic officials in the province feel they were especially nicked by the cancellation of a large number of "commodity rates" (In general, these did not include the much-disputed mountain differential). On February 12, 125 commodity rates were cancelled. On protest, 18 of these were reinstated, and 16 are up for further consideration. Then, on March 7, a further 195 commodity rates, mostly less-than-carload, were cancelled.

The sequel has been the resumption of intercoastal ocean transport for the first time since early war. Monson Clarke has a boat leaving Montreal on April 23, and another in mid-May. In addition, Anglo-Canadian Shipping Co. is said to be considering another intercoastal line. Significantly, Panama competition has traditionally been the factor which has kept the trans-continental rail rates in line.

But, the same people who notice a warehouse-to-branch plant trend in B. C. wonder whether intercoastal freight is the panacea it is claimed to be. They foresee B. C. manufacturing as the ascendant trend, with a trading area extending well into the prairies.

The mountain differential question is very pertinent here.

An Ontario or Quebec manufacturer, shipping from a point east of the Lakehead right through to Vancouver, doesn't pay the mountain differential because he gets transcontinental (Panama-compelled) rates.

Conversely, neither would a Vancouver manufacturer trying to invade the Eastern market. But the actual fact is that most West Coast manufacturers look more immediately to extending their trading area in the Prairies. On Vancouver-to-Prairies shipments, the mountain differential applies, unless a commodity rate prevails.

Thus, even a manufacturer who is protected by a general upswing in the freight structure would find that the removal of the mountain differential (25% above the Prairie rate) would extend his trading area. With paper and paint, for instance, it would extend the market 126 miles eastward in competition with Dryden, Ont., and Winnipeg, respectively.

It would benefit the primary industries as well. A carload of steers, for example, can be shipped the 350 miles from Maple Creek, Sask., to Calgary for the same price as a carload can go the 250 miles from Kamloops to Vancouver.

Another reason why B. C. eagerly awaits the Board of Railway Commissioners' decision on its application for removal of the differential is that the rate applies on inside-the-province shipments where no mountainous terrain is encountered. It is calculated that, as a result, a man living in B. C. pays $6 a year more than he would if he were living on the Prairies.

Removal, it is explained, would also further the trend for B. C. and Alberta to fuse into one economic unit.

Relations With Alberta

The West Coast province, incidentally, does not appear a whit envious of the impressive development which its sister province has seen in the past two years.

Production in these two neighboring economies is believed to be generally complementary, rather than competitive.

With many products, Alberta lies within the natural trading area of the West Coast manufacturer, and anything which enhances the development of that trading area will ring cash registers at home. In return, Alberta offers a source of supply for products which B. C. normally does not produce.

Up to the present, B. C. has neither oil nor natural gas in any quantity, though considerable exploration work is beginning to unfold in the Peace River Block. With oil, the Alberta producer will meet competition via tanker from California's tidewater wells. With natural gas, there is no such competition.

Two projects, involving heavy capital expenditure, are ready and waiting to supply the Vancouver market with Alberta's natural gas, if and when the latter province gives its consent to export.

One of them would involve the construction of a pipeline through the southeastern corner of the province, thence into United States to Seattle, with branch lines serving the Vancouver area and Consolidated Mining and Smelting Co. at Trail.

The other would involve piping natural gas from the Peace River country (the wells are near the Alberta-B. C. border) directly into Vancouver.

In either case, a supply of natural gas is seen as a stimulus to Coast industries. Firstly, it is hotter than the gas now available. Secondly, in terms of BTU's obtained, it is cheaper.

"For the first time," a British Columbian observed, "the Rocky Mountains are beginning to disappear."

Exports Down Slightly

In highlighting the evolution of British Columbia into a more mature economy, there is little need to review here the altered marketing climate in which each of the province's industries finds itself. The reader will find ample detail in the industry-by-industry articles which appear throughout the issue. Something can be said on the over-all trend.

While the domestic market grows with increased population and increased diversification, exports through B. C. ports dropped from $389 millions in 1947 to $371 millions last year. By countries, the biggest decline was in shipments to the United Kingdom.

As the province looks around for other outlets, she finds that her position as "Gateway to the Pacific" is not as rewarding as she thought it might be at the end of the war.

Japan, as far as exchange is concerned, is in the position of a hard currency country, yet is so much tied to U. S. administration that B. C. has merely managed a few small shipments of pulp.

China's millions have not presented the insatiable market which was once expected, largely because of wartime dislocations and runaway inflation.

India's prospects appear brighter of late, more particularly in regard to B. C. structural timbers.

Except for Venezuela which trades oil for U. S. dollars, the buying of other South American countries has consisted of relatively small accounts of foodstuffs and seed potatoes.

Individually, some exporters who lost markets abroad and have nothing to sell the U. S. have been hit.

But there is no substantial evidence as yet that the impact has been felt seriously by the economy as a whole.

Most indicators point otherwise: that there are sufficient large scale construction projects on the horizon to keep B. C. hands busy for a considerable time to come. It's a big job to "fatten out" a province.

Where New Power Projects Planned

(Continued from page 29)

for industries important to the district and dependant upon the agricultural economy of that area; rural electrification will be advanced.

John Hart Development at Campbell River, Vancouver Is.— The first stage, comprising two generating units totaling 50 000 hp. brought into operation last April. Double circuit transmission line of 132,000 volts, delivering power to substations at Nanaimo and Port Alberni, also came into operation at that time. Two more units with a total capacity of 50,000 hp, will be brought into operation early this summer, bringing the plant up to 100,000 hp which will represent a combined investment of $12 millions (additionally, $3 millions is being spent on transmission lines). It has enabled the Courtenay and Campbell River areas to convert their systems from 25 cycle to 60 cycle. It is expected that pulp and other industrial development on the island will soon make it necessary to bring the project up to its ultimate capacity of 167,000 hp.

Quesnel Development — Little Canyon on the Quesnel River will develop 100,000 hp with a 60% load factor of 60,000 hp; Big Canyon is capable of 50 000 hp with a 60% load factor of 30,000 hp. Immediately, the government has allocated $5 millions for development at this site. This will enable a dam to be built at Little Canyon and the first unit of 25,000 hp installed. If Bowaters establish a pulp mill there, this capacity will be utilized immediately and it will be necessary to proceed with further development.

Transmission lines to Prince George, Williams Lake, Quesnel and other communities throughout the district will be constructed. This will release Diesel plants serving these communities for other areas such as Hazelton, Windermere, Terrace, Smithers, and various Island fishing villages.

Revise Rate Structures

The government says the Commission's operations have been so successful that it has been possible to revise the rate structure "to make them highly promotional." New rate structures are now in effect at Alberni and Port Alberni, Alert Bay, Golden Hope, Nakusp, Nanaimo-Duncan-Saltspring, Peachland-Westbank, Quesnel, Sechelt, Smithers, Terrace, Vanderhoof and Williams Lake.

At its present session, the Legislature is asked to increase the Commission's borrowing power from $30 millions to $45 millions to accelerate its development. Here are some of the things seen for the future:

Taking over of a private operation at Chase in Oct. 31:

Extension of a supply line from Kamloops to Chase, making available power along the bench lands of the Thompson River; construction of a substation for the Falkland-Monte Lake area between Vernon and Kamloops;

Completion of the rural electrification program in the North Okanagan, involving service to a total of 2,500 to 3,000 farms;

Establishment of adequate power supply to Hazelton and vicinity;

Acquisition of four small operations in the Columbia Valley;

Laying of a submarine cable to Saltspring Island to permit increased power delivery;

Laying of a submarine cable across Okanagan Lake from Kelowna to Westbank to permit discontinuance of a Diesel operation at Westbank;

Building of a suitable administration building at Victoria

B. C. Electric's Program

While the public agency has been pushing hydro facilities farther into the outlying areas of the province, the privately-owned B. C. Electric has been equipping itself to handle increased load in the more populated sections of the province

Need for this development has been made amply evident by the steady gain in connected industrial load and in population. In regard to the former, there was a net gain in connected industrial load in the Lower Mainland area of 7,366 hp during 1946, 18,825 hp in 1947; and 27,240 hp in 1948.

Against this background, the B. C. Electric has just completed the biggest expansion year in its history, and is now in the midst of one almost as big.

Giant among the B. C. Electric projects is the one at Bridge River. By the time the company has completed the three installations it has planned for this site and has built the necessary transmission lines, it will have spent in excess of $22 millions.

The Bridge River project has several interesting engineering features. First, the "head" which is obtained by dropping the water from Bridge River into Seton Lake, is much higher than that found in most hydro installations throughout the world. Second, it uses a vertical wheel turbine (simplified, it means six jets hitting a vertical wheel), instead of the horizontal type more usually found on this continent. It is, in fact, the biggest vertical wheel turbine in the country.

The power possibilities at Bridge River were recognized years ago, and, between 1927 and 1931, a tunnel was cut through from the river to the lake. Because of the depression, the only harnessing was on a small scale to supply mines in the district. Actually, it's capable of delivering an ultimate capacity of 620,000 hp. The work now under way will fetch 186,000 hp. (in three stages), and the balance will be developed as future conditions warrant.

All three installations at Bridge River are of 62,000 hp each. The first (which originally wasn't planned to operate until this June) began turning last October. The second one is expected to be operating within a month, and the third one in October this year. In addition, a water-storage dam is being built 40 miles upstream. A 230,000 volt transmission line to Vancouver, 130 miles away, has been completed and is now in operation.

Recently, BCE President A. E. Grauer announced that a third generating unit of 47,000 hp would be installed at Ruskin, bringing this site on the lower reaches of the Stave River up to its ultimate capacity. Two units of similar capacity are already operating there. The third, which is scheduled for completion by the autumn of 1950, involves an expenditure of $2.5 millions, of which $1 250,000 will be spent during 1949.

The program, Mr. Grauer explains, marks the doubling of the electrical capacity which the company had at the end of the war.

Since 1939, for instance, the

(Continued on page 37)

More Vancouver Dial Phones; VHF Ship-to-Shore Service

Suburban dial exchange worth $3,175,000 was put to work recently when 13,478 Vancouver telephone subscribers were cut-over from manual to dial operation.

Cutover, biggest automatic conversion in the city's history, meant that nearly half Greater Vancouver's 133,600 telephones are now automatic.

It highlighted early 1949 operations of the British Columbia Telephone Co., whose orders this year for additional central office equipment and outside plant equipment will cost more than those for any previous year.

The cutover "killed" the Bayview manual instrument system; everyone who was on that exchange is now on the Cedar-Cherry dial exchange. Bayview is to be revived at a later date to designate a third automatic unit in the building which houses Cedar and Cherry.

Three Years' Expansion

Coincident with this cutover, B. C. Telephone announced plans for further automatic conversion in the Greater Vancouver area. Next on the city-wide dial program, which is expected to take several years, is Fairmont, another suburban manual exchange whose equipment has almost reached capacity.

Work will begin soon on a $250,000 building to house equipment to replace Fairmont. Building will ultimately contain three automatic units.

This development program follows three years' expansion in which B. C. Telephone Co., and its associated companies operating in B. C., spent nearly $15 millions.

Several floors of the company's Wm. Farrell Bldg. headquarters in downtown Vancouver are occupied, and the remainder will be used as they are completed. Present plans call for moving of long distance, dial service, and information offices from scattered locations to headquarters.

Ship-to-shore; Point-to-point

In radiotelephony, company is concentrating, through its associate organization, North-west Telephone Co., on development and use of "very high frequency" equipment, employing frequency modulation for its coastal ship-to-shore and point-to-point service.

VHF stations are now operating from British Properties, on the north shore of Burrard Inlet, to serve craft in and around Vancouver harbor; at Horseshoe Bay, to serve vessels plying Howe Sound; and at New Westminster for craft operating in lower reaches of Fraser River.

In addition, company is planning similar installations for Victoria and Nanaimo. At the same time, the company's "medium frequency" radiotelephone system is now serving 1151 vessels and 169 land points, making some 10,000 calls a month.

Portable emergency MF unit was recently assembled to provide long-distance facilities between Vancouver and areas cut off by storms and other disasters. This was used early this year at Princeton, cut off from Vancouver after slides in the Coquahalla Pass, 100 miles inland. Slide knocked out 20 trans-Canada long-distance circuits.

B. C. Gladly Gives Eire Raspberries

From Our Own Correspondent

VANCOUVER — The Marshall Plan has partly solved B. C.'s vexing surplus raspberry problem.

Trade Minister L. H. Eyres has announced that B. C. will sell $146,000 worth of SO_2-preserved "rasps" to Eire under ECA. Loading will start early in March.

Since Britain cut off purchases of luxury items in Canada, Fraser Valley berry growers have been burdened with excess raspberries preserved in sulphur dioxide.

Surplus is 1,600 tons. Eire sale will take 500 tons, and Victoria marketing officials are hopeful this can be raised later to 1,000, thus bringing surplus problem to more manageable size.

Variety in excess supply is Newburg, a jam type. Washington variety, for canning, finds a ready market.

Agricultural officials and farm groups are urging growers to reduce Newburg acreage and plant other crops.

CONSOLIDATED ASTORIA MINES now has a large diamond drill in operation on its 750-acre property in the Indian Mountain Lake area north of McLeod Bay, on the north shore of Great Slave Lake, N.W.T. The first diamond drill hole, testing a mineralized zone, has reached a depth of 176 ft. and is stated to show some lead and zinc sulphides. The hole will be carried to a depth of at least 600 ft.

BRITISH COLUMBIA • An Industrial Empire

From the industrial, investment, and settlement standpoints, British Columbia is rich in opportunity.

Its vast natural resources, its open ice-free ports, its abundance of power, its widespread electrification, and its favourable climate offer unique inducements to the industrialist. "Half-way House" on the trade routes of the world, its advantages as a site for industrial expansion are obvious.

Its attractive living and labour conditions and advanced social and labour legislation all make for contentment and a low labour turnover.

From the investment standpoint the opportunities are innumerable. British Columbia is definitely an industrial Province, with basic industries of immense importance and secondary industries of great and growing significance.

The following tabulation makes the picture clear—

	1947	1948
Logging and Lumbering	$282,000,000	$325,000,000
Agriculture	125,000,000	135,000,000
Mining	115,000,000	140,000,000
Fishing	60,000,000	70,000,000

In 1948, the estimated gross value of manufactured and primary products totalled some $1,350,000,000, where in 1947 the total was $1,158,000,000.

Through its Department of Trade and Industry, the Government is ceaselessly active in promoting overseas markets and encouraging new enterprises.

To the fullest extent of its constitutional powers, the Government of British Columbia is seeking to correlate the urgent requirements of industrial, commercial, and social progress with the basic elements of a sound and stable financial position.

THE DEPARTMENT OF TRADE AND INDUSTRY
PARLIAMENT BUILDINGS, VICTORIA, B.C.

E. G. ROWEBOTTOM, *Deputy Minister*

HON. LESLIE H. EYRES, *Minister*

Here are Growing British Columbia Communities

Prince Rupert

POPULATION—8,000; up 19.2%
PRODUCTION—$7.3 million; up 170.4%
EMPLOYMENT — 637; up 90.1%

In and out of the deep, sheltered ice-free harbor of Prince Rupert, northernmost B. C. port, more and more ships are moving.

Here are some of the reasons:

Columbia Cellulose Co., subsidiary of Celanese Corp. of America, is erecting a 250-ton daily capacity pulp plant, to be in operation within two years;

Large schools of tuna in adjacent waters have drawn many fishing boats.

Mr. Blackaby

Wartime use of Prince Rupert as the port for Alaska offers hope that this may be continued, with the bulk of Alaskan canned salmon passing through the port for transshipment east.

Prince Rupert is also watching with interest Dominion government study of the Canadian shipbuilding situation. Early in the war the Prince Rupert Drydock and Shipyard was reconverted for construction of 10,000-ton freighters and small naval vessels; this activity has stopped, but it is hoped something may be done soon.

As a war legacy, Prince Rupert acquired a $200,000 YMCA, now used as a civic centre. Replacement of the civic telephone system at a cost of $350,000 was approved at the December municipal election.

Of 500 wartime houses built in Prince Rupert, only a dozen remain in the government's hands, with owner-occupants buying more than 450. Two department store buildings have been erected, a theatre is under construction and a large hotel and two or more apartment houses are being considered.

Chamber of Commerce president Gerald Richard Sanders Blackaby is branch manager of the Bank of Montreal, which he joined in London, Eng. Served first at Fredericton, N.B., then moved across the continent to British Columbia. Served overseas 1915-1919, past president Canadian Legion, active Rotarian.

Kamloops

POPULATION — 8,000; up 34.3%
PRODUCTION — $1.2 million; up 300%
EMPLOYMENT—282; up 182%

Fur and gold laid the foundations for Kamloops, the link between B. C.'s Cariboo Country and the Okanagan Valley. Now, cattle ranches, fruit orchards and other farm crops, and the expanding timber industry have aided in the expansion of this modern community.

Mr. Ratcliffe

On the main lines of both CPR and CNR, Kamloops has watched the surrounding area grow in population and agricultural productivity, while its own business expanded to take care of the growing needs.

Beef cattle in the Nicola Valley area and along the North Thompson Valley continue as one of the area's major strong points; the wool and sheep industry has been developed steadily. The war and immediate postwar shortage of labor is being overcome in fruit and vegetable production.

Aiding in the region's agricultural progress have been the establishment in Kamloops of frozen food lockers, cold storage plant, and the packing houses of the Kamloops Fruit and Vegetable Co-operative Growers Association and of the Thompson Valley Growers Co-operative. Postwar expansion has brought new office and store buildings and a large modern theatre.

Board of Trade president is Lancashire-born Jack Ratcliffe, manager of Buckerfields Ltd., who is also president of the Okanagan and Main Line Associated Boards of Trade and a representative on the B. C. regional council of the Canadian Chamber of Commerce.

New Westminster

POPULATION — 33,000; up 50.2%
PRODUCTION — $50.5 million; up 209.8%
EMPLOYMENT — 5,475; up 127.3%

On its broad foundation as a centre of B. C.'s lumber and logging industry, New Westminster is attracting secondary industries of substantial promise.

Added since the war have been: American Marietta Co., synthetic resin glue plant which supplies glue to B.C.'s rapidly - expanding wood veneer industry; and the $500,000 plant of American Marietta Co., in quantity production of a high quality hardboard, using waste material from plywood operations.

Mr. MacKay

War and postwar activities have seen major expansion among a number of established plants. Among these are the former Heaps Engineering (1940) Ltd., purchased by Waterous Co. of Canada and now known as Heaps-Waterous Ltd., serving the sawmill, shingle, logging, paper mill and canning industries in B. C., in many cases with specially-built equipment.

In the forest products field, leading places are held by Canadian Western Lumber's mills at nearby Fraser Mills; Canadian Westminster Co.'s mill, said to be the largest sawmill in the British Empire and the plant of Westminster Paper Co.

Trading centre for the Fraser Valley, New Westminster has seen major development in the commercial section of the city. Two department stores are understood to be planning large modern buildings.

Long active in the Board of Trade, President E. Ewen MacKay is head of a New Westminster Insurance and Investment company. The Board has set up a special committee on foreign trade and industry, headed by past president W. G. Lambert, of the Mohawk Handle Co. Ltd.

Rossland

POPULATION—4,250; up 16.2%
PRODUCTION—up 82.4%

On the skyline of the Kootenays, nearly 2,000 feet above Trail and eight miles to the southwest, Rossland has developed into a thriving community in which many employees of Trail's Consolidated Mining & Smelting Co. make their homes.

Mr Herwig

It is in the winter however, that Rossland comes into its own. The Red Mountain ski fields, two miles from the city's centre, continue to attract ever-increasing attention from enthusiasts in the western United States and Canada. The 3,600-ft. ski lift, Canada's highest chair lift, provides access to major hills and beginner's slopes, and a three-story lodge overlooks the chair lift and ski fields.

Community progress includes plans for a $500,000 high school, renovation of the Mater Misericordiae hospital and completion of a $100,000 skating arena.

Active in Board of Trade and tourist promotion is Swiss-born president Gaston W. Herwig, owner of Rossland Realty, who spent five years in West Africa before moving to the Alp-like B. C. country in 1926.

Duncan

POPULATION—3,000; up 37%

Logging and lumber contribute the major portion of the $3.1 million monthly payroll of the Cowichan area on Vancouver Island which centres in Duncan.

Among industries added since the war was that of the Vancouver Island Sash & Door Co.

At nearby Chemainus is one of the largest electrically operated sawmills in the world; other large mills are located at Youbou, Mesachie Lake and Honeymoon Bay.

Duncan itself has been likened to a small English market-town, on the banks of the Cowichan River at the foot of 2,543-ft. Mount Prevost. Its shopping centre has modern facilities for the service of the 10,000 area residents.

Port Alberni

POPULATION—7,800; up 70.2%
PRODUCTION—$9.8 millions; up 100%
EMPLOYMENT — 1,130; up 54.2%

Wood is the word for the Albernis, at the head of the inlet known as Alberni Canal on Vancouver Island's West Coast.

War-boomed demand for fir and hemlock brought the daily production of the two larger operators, Alberni Pacific Lumber Co. and Bloedel, Stewart & Welch Ltd., to one million board feet. H. R. MacMillan interests in 1941 completed the Alberni Pacific Plywood mill which operated on a three-shift basis during the war, currently employs about 400 producing 135,000 sq. ft. daily.

Bloedel, Stewart & Welch in 1947 completed their sulphite mill, marked by the use of sawmill waste are enlarging chipper plant. Tidewater Lumber Co., with 100,000 foot daily capacity at Alberni; modernizing mill with planer mill, dry kiln, etc.

Mr. King

Population growth brought a civic program of sidewalks, roads and sewers; 800 pupils are attending "Glenwood" school composed of former Army huts, while the $2 millions school program gets under way.

Retail business expansion has kept pace with the industrial growth. In 1946 Woodwards Stores Ltd. built three-story $750,000 block, employs 100 clerks to service area; Hudson's Bay, McLennan, McFeeley and Prior also established in modern buildings; other merchants have expanded premises.

In the area also is the largest Indian residential school in Canada, serving Indians of the west coast.

Amalgamation of the twin cities of Port Alberni and Alberni is a lively question, but with no immediate solution in sight.

Aiding in the expansion of the area has been N. S. King, Chamber of Commerce president for eight years. Canadian Bank of Commerce branch manager. Quebec-born Mr. King joined Eastern Townships Bank in 1909; served overseas 1915-1919, rejoined Bank of Commerce in 1919. Was president Associated Chamber of Commerce of Vancouver Island last year.

Revelstoke

POPULATION—3,200; up 51.9%
PRODUCTION—up 163.6%

Booming business on the Canadian Pacific Railway, and expanded logging operations have contributed to most of the expansion of Revelstoke, high in the Rockies.

Mr. Patrick

Establishment of Arrowhead Wood Preservers Ltd. large pole-treating plant has opened up new possibilities in the district, and its progress is being watched with interest, since it uses a new method by pouring a cold solution on heated poles.

With Mt. Revelstoke National Park and its famed 18-mile highway to the top, the area is watching closely Trans-Canada Highway development plans in the hope that new tourist business may be opened up.

Active in the development of the community has been Board of Trade's immediate past president, George Patrick, Revelstoke-born insurance representative and former trainman, who is also an alderman.

Woodfibre Plant

British Columbia
Pulp & Paper Company Limited
VANCOUVER, B.C.

Prince George

POPULATION—6,000; up 196%
PRODUCTION—$2.8 million; up 2,700%
EMPLOYMENT — 508; up 551.3%

Distributing centre for a population of 30,000, Prince George has seen major expansion in the timber business, and is looking forward to two major developments: development of a nearby coal field by Bowron Coal Co., and completion of the Pacific Great Eastern Railway, promised by Premier Byron Johnson in the Legislature Throne Speech in February.

There are 12 planing mills in Prince George (expansion program of just one of them last year reached $300,000); along the CNR right of way are 235 mills; 15 have been added since Jan. 1, 1949.

The wholesale houses have district headquarters there; recent construction includes $50 000 wholesale automotive supply, two office buildings at $50,000 each and three modern garages with total value of $250,000.

Mr. Bowman

Retail additions in 1948 included two groceterias. Going into operation this summer will be a reconditioned abattoir to handle 100 beef carcasses in cooler, 150 head in pens.

A new 250-pupil high school built since the war has been given an annex to take care of the current 413-pupil enrolment as population continued to increase.

Board of Trade president is Harry Bowman, CNR superintendent of agriculture and colonization, a position covering most of the province. Since war's end, he has received more than 300 applications from European farm workers, mostly of Switzerland and Holland; tries to fit them into the B. C. farm picture. Ontario-born, was for a time head herdsman on the ranch of the late J. D. McGregor, Lieut.-Governor of Manitoba, when one of that ranch's entries won Grand Championship steer prize at Chicago International show.

PARISH OF L'ANCIENNE LORETTE, County of Quebec, Que., has sold $56,000 3% bonds due Mar. 1, 1950-63 and $194,000 3½% bonds due 1964 to J. T. Gendron Inc. and Dudley Dawson Ltd. Price was $98.625 at net cost to municipality of 3.561%.

Balance of $189,000 of $194,000 1964 maturity will be paid at maturity by 25-year renewal loan. Proceeds are for waterworks. Net consolidated debt at Dec. 31, 1948 was $98,400, all incurred for waterworks. Population served by waterworks system is 5,500.

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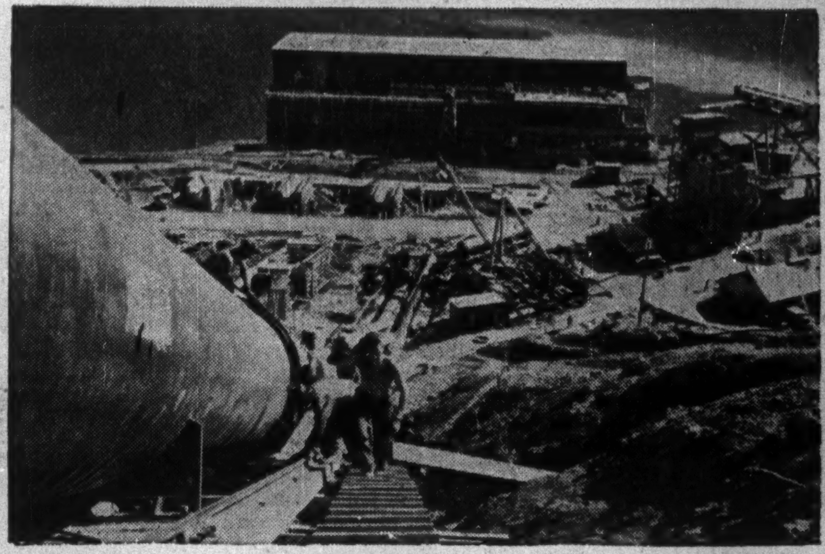
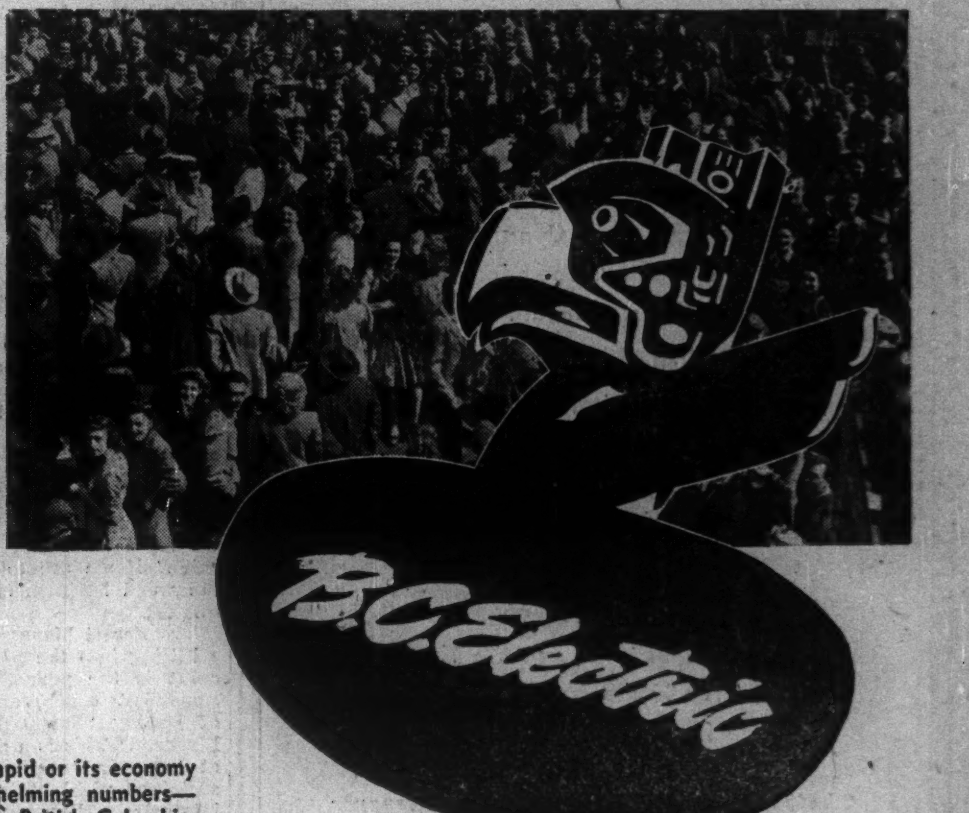
GREATEST EXPANSION IN 52 YEARS PROVES...
BUSINESS IS MOVING TO B. C.



Last year B. C. Electric produced almost 40% more electrical energy than in 1945. In 1949 after adding second and third units at Bridge River Hydro (above) and a third unit at Ruskin, the Company's generating capacity will be almost double that at the end of the war.

In 1948, 156 million passengers were carried on B. C. Electric transit systems—an increase of almost eight million over 1945. To serve the growing needs of modern metropolitan areas, the Company is rapidly converting its transit operations with hundreds of smooth-running buses and trolley coaches.

Since 1945 a water gas plant and propane plant have been built in Victoria and two carburetted water gas plants (above) of 4,500,000 cu. ft. capacity each, have been added in Vancouver. By the end of 1949 capacity of B.C.E. gas systems will be almost double that on V-J Day.



At no time in its history has British Columbia's expansion been so rapid or its economy so flourishing. People continue to flock to the province in almost overwhelming numbers—hence a 32% population increase since 1941. For 52 years advancing with British Columbia, B. C. Electric services have never grown faster than in the past three years. In 1945 the Company launched a 10-year construction program. With B. C.'s growth soon exceeding every expectation, the pace was stepped up and most of the planned modernization and expansion will be achieved by 1950, five years ahead of schedule. Conversion of transit operations—enlarged and improved gas and electric power facilities—will take care of B. C.'s amazing expansion and will encourage more business to move to British Columbia.

There's Business for YOU in BRITISH COLUMBIA!

FOR INFORMATION ON MARKETS AND INDUSTRIAL SITES, WRITE: INDUSTRIAL DEVELOPMENT DEPT., B. C. ELECTRIC, VANCOUVER, B. C.

Pulp and Paper Expansion Paces B. C. Growth

Lumber Market is Problem For Other Forest Industries

B. C.'s lumber markets have softened; but her expansion in pulp and papers leads the world.

Behind the statisticians' reports, which place B. C. forest production at an all-time high of $375 millions gross in 1948 ($275 millions net), a significant transition is taking place in the province's No. 1 primary industry.

Here are the indicators of it . . . some favorable, more of them disturbing.

1. U. K. buying of B. C. lumber during the first six months of this year is currently running 40% below the same period of 1948. The British contracts run out at the end of June, and the extent of further U. K. buying is a matter of speculation. Also cut back, though less important in the total, is buying from other sterling countries, such as South Africa and Australia.

2. Natural sequel is that B. C. lumbermen have turned their eyes on the U. S. market. While the bare figures suggest some success, this has mainly been achieved by the bigger operators. Some smaller producers, not equipped to deliver lumber in the finished and dry state demanded by the U. S. market, have been squeezed out.

3. As a result of a U. K. demand that a large portion of the contract shipments be "clears" (the most recent contract was for 80% clears), a marketing problem has already arisen for the lower grades of lumber, particularly "No. 3 Common."

4. To solve this problem, more attention is being given to the domestic market. For the first time, MacMillan, Seaboard, and Koerner interests are represented in a program of trade promotion under the new-born "B. C. Coast Woods Trade Extension Bureau" (see separate story).

5. The pulp and paper industry, which already has $122.5 millions invested in the province, is currently in the midst of another $82 millions spending program, which may make pulp and paper one of B. C.'s largest industries. The province now has nine pulp and paper mills, with two more under construction, a third said to be "assured," and several others in the prospect stage.

6. The pulp-grinding machines are leading to greater diversification. Extending beyond paper-type operation, the experts see some initial steps under way which may, in the course of years, put cellulose production ahead of the paper industries in forest utilization. B. C. Pulp and Paper Co. is already in this field. Now building at Port Edward (near Prince Rupert) is a new plant for Columbia Cellulose, a subsidiary of Celanese Corp. of America. It will produce cellulose for further U. S. manufacture into the "Celanese" group of fabrics, plastics, etc. A natural-gas pipeline from Alberta to Vancouver, if approved, might enable the new plant's output to be processed further within the province. The natural gas, it is explained, contains a chemical needed in Celanese manufacture.

Seek Full Use of Crop

Paradoxically, the foregoing pattern — while disturbing in its market phases — is nevertheless leading the province's "meal ticket" industry closer to what the experts say it should be, closer to a complete utilization of B. C.'s entire wood crop.

"The day of the tidewater export mill that took rough green lumber from the saw and stowed it away in the ship at the dock, is past," Forest Minister E. T. Kennedy told the B. C. Legislature recently.

For a background to Mr. Kennedy's statement and to the steps which his government are taking in the light of it, it may be interesting at this point to look back at the following "fundamentals" (a) what B. C. possesses in forest resources (b) what she is cutting from those forest resources (c) what she is doing with the cut.

Here is the latest estimate of merchantable timber in British Columbia:

(In millions board feet)	Coast	Interior
West. Hemlock	46,135	10,527
Spruce	9,949	40,273
Douglas Fir	37,115	12,154
West. Red Cedar	40,553	8,451
Silver Fir	17,580	13,904
Lodgepole Pine	3,670	4,406
	155,129	99,370

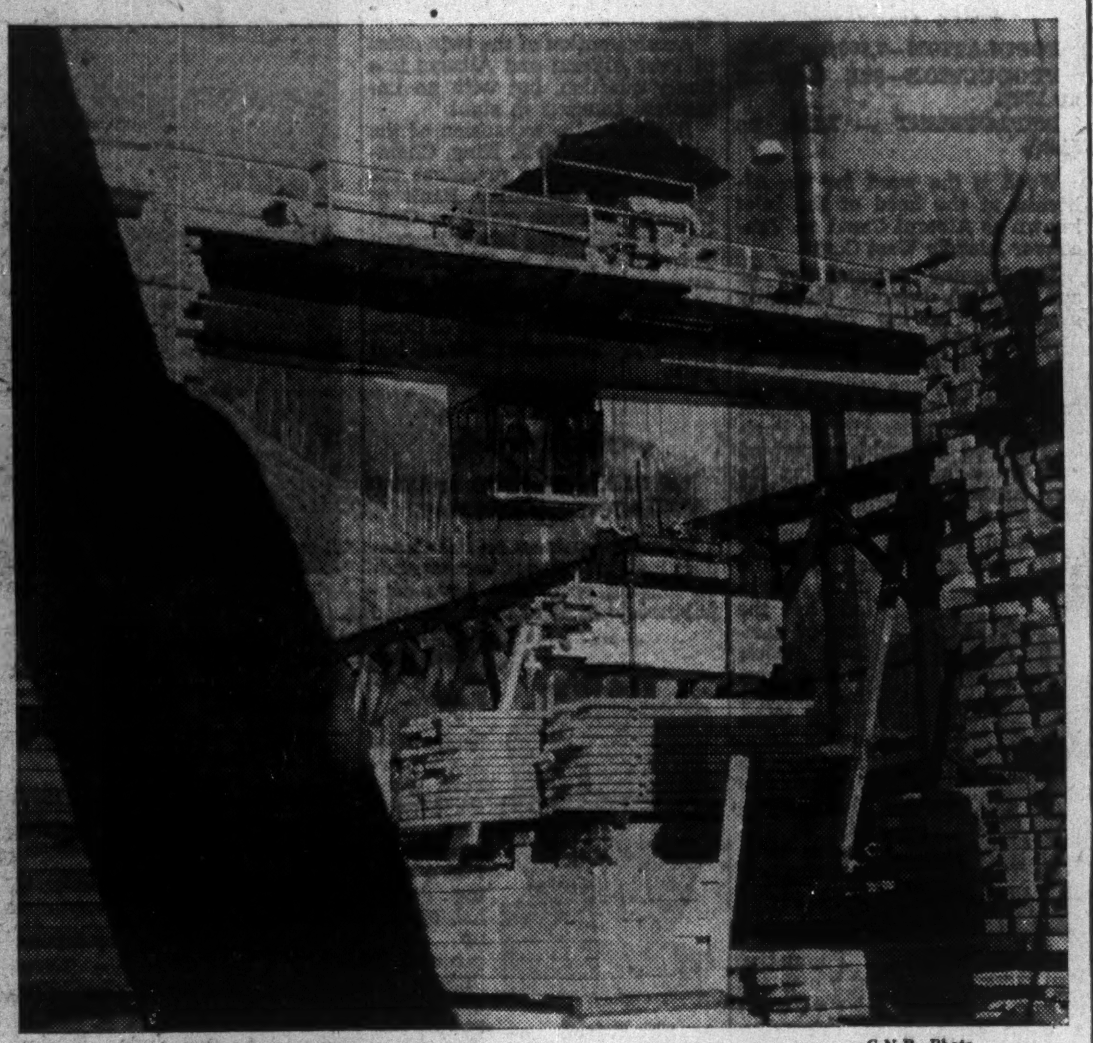
Of these timber stands, 76,108 million board feet on the coast and 33,630 million board feet in the interior are considered accessible for marketing purposes under present conditions.

How Cut Compares

A significant comparison emerges when these figures are laid alongside those showing how much timber is cut from the various areas.

Last year, for instance, the bulk cut was 4.2 billion FBM for the entire province. Of this, more than 3.2 billions were cut from the coast forests which, accordings to experts, are currently producing new growth at a rate of only 2½ billion FBM a year. Thus, in this area, the emphasis is on conservation and fuller utilization.

The interior picture is different. The bulk cut last year was slightly less than one billion FBM. Despite the fact that interior forests don't receive the rainfall that the coast forests do and hence grow at a slower rate, the experts nevertheless believe that interior forests can sustain an increased cut. Hence, the encouragement which the Government is giving to further forest development in the interior, in particular to the establishment of a pulp mill at Quesnel.



—C.N.R. Photo.

The products of British Columbia's forests last year contributed a gross value of $375 millions to the province's wealth. Lumber production averages more than 2 billion bd. ft., faces market problem with the United Kingdom's lack of dollars forcing that country to halt purchases of B. C. timber, in which she took up to 40% of annual cut.

The historical explanation is that the choicest and most accessible timber of the coast region was first to be cut. Back in 1898, for instance, the famous Douglas Fir contributed almost 100% of the timber cut. By 1928, it had dropped to 50%. Last year it was 39%. Over the years, the size of the average log, and the quality, has gradually dropped.

Meanwhile, the bulk cut throughout the province has been rising. This has been possible by bringing the less valuable and now more plentiful species under the axe.

The bulk trend, as measured in total scale (million FBM) is as follows:

1912	1,105
1915	1,018
1920	2,046
1925	2,611
1930	2,664
1935	2,649
1940	3,693
1946	3,194
1947	4,188
1948	4,293

Fear For Some Areas

Though the province looks to its forests for almost 50% of its primary production, the Government is worried about cuts of recent years. Adding in losses by insect, fire, and decay, the annual depletion rises to almost six billion FBM. While this is equalled by growth on a province-wide basis, the cut is too concentrated regionally to permit such operations to be continued indefinitely without exhausting some areas.

The Provincial Forest at Sayward (north of Campbell River) provides an apt example. Within its 385,000 acres, 44 different companies have at one time or another logged holdings there, disposed of their logs on the open market, and then "folded up" or moved on to other territory. They cut 5½ billion feet of timber. Government's answer to the problem is to reduce waste, to use more of the log, and to get a higher price for the final product (e.g. pulp and paper absorbs only 10% of the total cut, yet contributes a third of the value of forest production).

This answer implies large capital investment. Says Forest Minister Kennedy:

"Industry could afford in 1915 or 1925 to invest in a "circular saw" to manufacture a few million feet of logs into rough boards, and abandon the rig when the logs were gone. Industry in 1949 will not invest several million dollars in a "paper machine" if it has to count its life in the term of 20 or 30 years — and we must have the "paper machine" if we are to continue in the wood business on an export market.

Forest Management

Fitting into the picture at this point is the year-old, and still somewhat controversial, system of issuing "Forest Management Licenses." This is a device aimed at "cropping" the forests on a sustained yield basis, by private interests. A licensee, under certain prescribed conditions, is granted perpetual rights on lands he needs to sustain his plant. In return, he is bound to carry out a program to ensure replenishment of his "crop."

Until now, logging "camp" life has been too insecurely anchored to permit the adjacent development of servicing industries. In most cases, camps have been peopled by men who are either unattached or whose families live in the cities. Food is brought into camp, prepared in camp kitchens. It has rarely been the location of community services, other than those needed in company operation.

Putting the industry on a "farm" basis will mean that the headquarters for cutting operations can become stabilized. Men will bring in their families. Schools will be built. Dairies and bakers will establish there to serve the homes. In some cases, secondary industries may be feasible. The logging camp becomes pinpointed on the map.

Sociologically, the "Forest Management License" is a segment in B. C.'s future population pattern.

Production-wise, the effects are cumulative. Without conservation measures now, it is said that the province's forest cut would drop within a period of decades to a mere half million FBM. On a "farm basis," the sustained yield could be increased within a century to 5 billion FBM.

Fire and Insects

Coincident to the program of managed cutting are the measures taken to curb those other depletion factors — insect and fire. In defense of its forest policy, the Government says that one of the best measuring sticks is a comparison of the amount of money "taken out" of the industry in royalties and stumpages, etc., with that "ploughed back" in the form of forest appropriations. A rising percentage is evident over the years:

	Rev. from Forests	% put Back
1915	$1,927,346	23
1920	3,315,891	17
1925	3,492,502	32
1930	2,914,638	34
1935	2,567,275	30
1945	4,352,179	36
(Royal Commission Report Received December, 1945)		
1946-47	$4,880,233	51
1947-48	7,010,039	46*
1948-49	6,167,000 (est.)	82

*In this year, the Government had budgeted 71% of a conservatively-estimated forest income of $4.5 millions. Actually, income was much higher.

What happens to the timber after it is cut? With some preliminary explanation, the answer can be obtained by examining the nature of the timber scaled. In reading the following table, it should be kept in mind that FBM represents logs, and that these are destined chiefly for lumber and pulp mills; lineal feet represents poles, used chiefly by the utilities companies and for piles; cords represents shingle bolts; and cubic feet represents salvage which is picked up after logging operations and sent to the pulp-grinding mills.

	1947	1948
FBM	3,991,603,707	4,123,466,011
Lin. Ft.	44,777,030	27,643,306
Cords	134,979	113,646
Hewn Ties (No.)	592,293	583,698
Cu. Ft.	237,388	2,520,691

The last item, it will be noticed, has increased 10-fold in a single year. It represents the pick up for salvage purposes of hemlock and balsam, chiefly in the Vancouver Forest District. Incentive to the operators has been a royalty rebate, inaugurated to promote more complete utilization of forest growth.

The Use of Waste

Resources Minister Kenney claims that, without cutting a single extra foot from the province's reserve timber, there is sufficient waste in the province's woods operations to support from five to 10 new pulp mills.

Last year brought big news in the utilization of waste wood. It is the basis for operation of the following new mills:

1. Came into production: Bloedel, Stewart and Walsh mill at Port Alberni on Vancouver Island, 200 tons a day.
2. Now building: H. R. MacMillan Industries Ltd. mill at Nanaimo on Vancouver Island, 200 tons.
3. Said to be "assured": Canadian Western Timber Co. mill at Duncan Bay on Vancouver Island, 300 tons.

Added to the 300-ton Columbia Cellulose mill already mentioned, these will mean an additional 1,000 tons daily pulp production within the province. This works out at roughly 300,000 additional tons a year. (Total 1947 production was 587,940 tons.)

These figures do not include the possibilities that the Bowater interests or some other firm will establish at Quesnel. Deputy Minister C. D. Orchard says merely that "there are good chances that a couple of additional mills will be established in this province within the next two years."

The plentiful supply of waste from woods operation, it is contended, makes for a lower-cost pulp operation than is possible in places where it is necessary to conduct woods operations solely to feed the grinding machines. Furthermore, B. C. has examined with interest the statements of Quebec's Premier Duplessis that further development of the industry there would strain power resources and deplete the forests. B. C. also believes that Ontario's huge cutting program is one which cannot be maintained; hence further expansion must be confined to Western Alberta and British Columbia.

Increasing Product Value

The pulp operation fits uniquely well into the Government's management policy. With the wasteful "high quality" Douglas Fir operation on the decline, the pulp mill turns low-value wood into a high-value product. This permits adaptation of the industry to its present environment without loss of forest wealth. Here is how Forests Minister Kenney figures a typical case:

Under the management plan, the operators would get 80% of their present requirements in the form of primary supply.

They can get a further 16% of their requirements through closer utilization of their wood which was formerly wasted (computed at 20% of the 80%).

Development of the hydraulic barker (an improved piece of equipment which uses a high-pressure nozzle to strip down logs of virtually any size) will make for further savings in the mill. An extra 16% of requirements can be obtained in this way.

Immediately then, through adoption of the recommended practices, operators can be assured of 112% of their present requirements.

The real pay-off, however, lies

(Continued on page 34)

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How Market Changes Affect B. C. Fisheries

Processing of Herring Catch May Expand Big Coast Industry

There were heavier hauls in B. C. fish nets last year, and good prices shot the value of fisheries production to a new high. But here, too, marketing problems have now appeared.

The problems stem from the same source as those which have arisen in the forest and agricultural industries—dislocation of export markets, chiefly that of the United Kingdom.

Here, again, the altered market picture has brought about changes in the industry itself.

Foremost has been the substantially-greater portion of the herring catch which is being marketed in the form of oil and meal. This is significant because the experts believe that herring is one of the few B. C. fisheries which can sustain greater exploitation. Thus, while there is some monetary loss in grinding a herring rather than selling it for table use, the processing industry would appear to have a sound production base. Several additional plants have been equipped for fish and meal production.

Geographically, there are no frontiers left in the salmon fishery, which remains kingpin of West Coast production. With one exception, the salmon fishery is believed to have reached a point of stabilization. The exception is Hell's Gate. Here, at a cost of a million dollars, a wasteful obstacle in the path of salmon heading for the spawning beds has been by-passed, and the Fraser River can be expected to yield more salmon.

The halibut fishery, which follows salmon and herring in value, is of limited duration as a result of international conservation measures. The size of the catch, set on a quota basis, does not vary much from year to year. It is a deep-sea fishery, and the need to provide occupation for boats which are equipped for this brief off-shore work has encouraged tuna fishing. The unpredictable pilchard has been disappointing of late, but there has been a revival in West Coast whaling.

Here's the Record

Now for a look at the statistics:

Gross value of fisheries production last year was $87 millions. This figure is supplied by the B. C. Bureau of Economics and Statistics, and is compiled on the basis of DBS data. For comparison, DBS says that the 1946 gross value of B. C. fisheries production was $65.1 millions. The fisheries are thus in fourth place among B. C.'s primary industries. Individually, B. C.'s fisheries production is greater than that of any other province. It is almost as great as the three Maritime provinces combined.

Net value of fisheries production in B. C. was $57 millions last year. This compares with a DBS figure of $36.8 millions in 1946.

Both in terms of weight and of landed value, last year's catch exceeded that of 1947.

In weight of catch, the increase was particularly noticeable in the herring fishery. In value, it was noticeable in salmon.

Total value "as landed" of fish, shellfish, and livers was $31.7 millions—a record to date, being $9.4 millions more than 1947 and double 1943.

Size of the catch was 5.8 million cwt. last year, compared with 4.8 million cwt. in 1947.

1948 Highlights

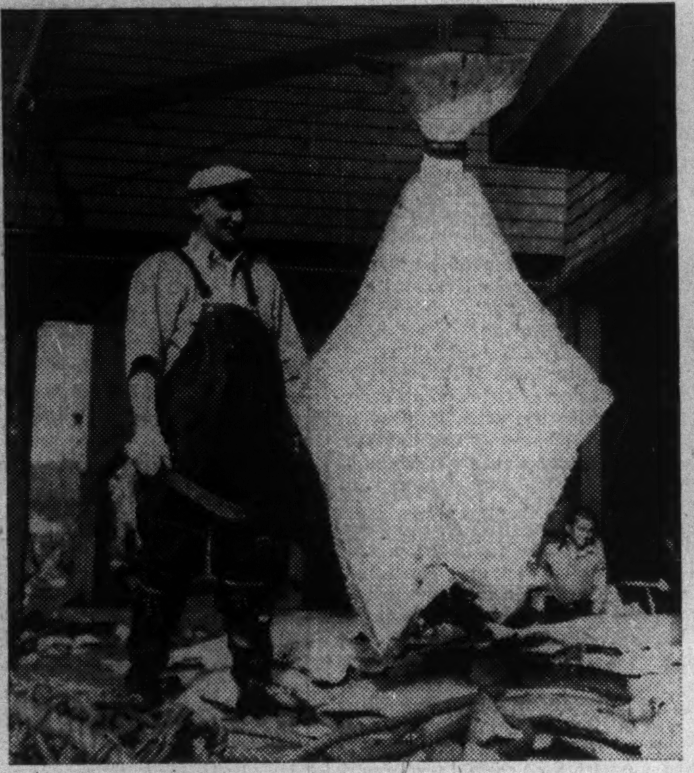
Here, in review, are the highlights of the 1948 production year, as well as some of the more immediate prospects:

SALMON:

Unexplained "cycles" determine the number of salmon going upstream to spawning grounds, and last year was not a big cycle year. The cycle is a composite of a variety of factors, most important of which is the number of years which elapse between the time a fish is hatched and the time it returns to spawn. This is two years for pink salmon, three years for coho, and four years for the top-value sockeye. The cycle periods will vary for different lakes within the same river system. Nevertheless, when all these factors are superimposed on one another, a broader cyclical pattern becomes evident. Starting from a big production year, the next year will be smaller, the third year will be still smaller than the second, and the fourth will bounce back into a big production year.

It is against this background that the 1948 catch must be measured. In physical volume, the catch was 141.8 million pounds, which was 21 million pounds less than 1947 and the lowest figure for several years. The canned salmon pack totaled 1.3 million cases, which is a relatively small figure. Disposition as fresh and frozen dressed, at about 40 million pounds, was 2.5 million pounds less than 1947. The 1.3 million pounds filleted was also less than the previous year.

There was, however, a sizeable increase in the price which the fishermen got for their salmon. From $8.55 per cwt. in 1946, it dropped to $7.72 in 1947, then leapt ahead handsomely to $14.15 per cwt. last year.



Broad waters of the Pacific last year gave British Columbia a fishing catch valued at $70 millions. Big ones, such as this giant halibut, boosted the landed value of sea-fish to $29.6 millions.

As a result, the value of the salmon pack "as landed" was $20.1 millions last year, compared with $12.6 millions in 1947.

Next Catch Higher

Next year's prospect is for much higher salmon catch. The pack of canned salmon, which is the important export item, could easily rise from 1.3 million cases to 2 million cases. And, for the first time in decades, the United Kingdom isn't buying a single can!

Before crying blue ruin, it should be remembered that B. C. canned salmon has always enjoyed a good consumer preference in the domestic market. During the war, when practically every can was being shipped overseas, Canadians were denied their own canned salmon. Its reappearance on grocers' shelves was greeted by a hungry market, and glut has not been a factor so far. Nevertheless, the prospect of a bigger catch next year, coupled with a deterioration in the export position, spells a marketing problem which may not be long in making itself felt.

Overcoming of the Hell's Gate obstacle is also a factor in the production trend. Since a salmon spends three or four years at sea before returning to spawn, it takes that long after completion of the project to tell how well it will "pay off." For some varieties of salmon and for some spawning beds, the payoff will begin to take place this year—that is, salmon which were hatched because their parents were assisted to escape the Hell's Gate obstacle will be back to spawn.

This pay-off factor will be greater in 1950, with additional varieties of salmon and spawning beds entering into the picture. From then on, the project should have a cumulative effect in restoring the Fraser River fishery to the point it was before a slide, caused during railway construction in 1913, sent tons of granite plunging down into the canyon. The canyon itself is now churning white, and, when its level ranges between 20 feet and 50 feet, the salmon can't get through at all. Below 20-foot level (which is rare) and above 50 feet (the record flood level was 118 feet) the salmon can get through the normal canyon. To overcome the intermediate levels, special concrete "weirs" permit the salmon to leap from pool to pool.

Already, the experts have sufficient evidence to permit them to declare Hell's Gate a success. How far it can go in restoring the river to its original condition is, of course, a matter of speculation. It is recalled that, in one year prior to the First Great War, this river alone produced 2½ million cases of salmon which is more than all of the West Coast rivers produce now. It is estimated that the Fraser contributed only ½ million cases to last year's pack.

While the Fraser could become a more intensive fishery, there are no frontiers left, such as there were at the turn of the century when the northern rivers were largely untapped. Today, virtually every location capable of salmon production is being fished. The "take" is as much as is compatable with the concept of "sustained yield." Apart from the Hell's Gate payoff, the West Coast salmon fishery has become stabilized.

HERRING:

Second in point of value, herring has seen big fluctuations in production. Prior to the war, B.C. used to can about 25,000 cases. The wartime demand for protein was so urgent that the pack shot up to 2 million cases. Since then the pack has dropped to less than a quarter of what it was, but oil and meal production have expanded rapidly. Over-all, 1948's catch was bigger than 1947's.

Last year, B. C. fishermen pulled in 3.8 million cwt of herring, and this had a landed value of $4.2 million. Increases over 1947 were 1.3 million cwt. and $1.8 millions respectively. The landings were particularly heavy in the early months of 1948.

The following table will indicate the shift in disposition away from canning and into meal and oil.

PRODUCTION OF HERRING PRODUCTS—B. C.

	1946	1947	1948
Canned ('000 cases 48 lbs.)	1,318	1,412	416
Oil ('000 lbs.)	7,745	11,437	26,112
Meal (tons)..	8,461	11,765	32,202
Dry Salted (tons)	4,339	2,620	300.

A feature of the current herring season was the resumption of operations during the first week in January—a season which is normally closed for conservation purposes. The reason was a need to supply 2 million pounds of Pacific herring for shipment of the Maritime provinces for bait. Because of the failure of the fall herring run on the East Coast, a bait-shortage crisis developed which threatened to curtail Nova Scotia fishing operations and result in a $1 million loss to fishermen there. The government is absorbing transportation costs on these herring up to three cents a pound, which is approximately the whole freight cost. Similar aid will be extended to the new province of Newfoundland.

Longer prospects are for increased herring tonnage on the West Coast, since there are some areas which have not yet been explored extensively. This assumes that the market will remain reasonably stable; the recent freeing of the fats market from control may have some effect on the value of fish oils.

HALIBUT:

Third in value, halibut is based on a slow-breeding fish which is found a considerable distance outside Canadian territorial waters. It presents the first attempt in the world to manage a deepsea international fishery. The first treaty which Canada signed on her own hook, after she secured the right to do so in 1931, was one providing for the establishment of quotas for the U. S. and Canadian halibut catch on the West Coast. Prior to that, fishermen were pushing from nearer to more distant banks in search of halibut. They were spending eight to nine months of the year to bring in approximately the same catch they are now getting in the relatively short "halibut season." The shortening of the season has, however, been attended by certain problems. A good deepsea halibut boat may cost as much as $150,000, and question is how to employ these ships and men after the halibut season is over. Some of the boats serve as "packers" for the salmon fleet; others go out after the deepsea tuna and shark, accounting for the phenomenal growth of these exotic catches.

Last year's halibut catch wasn't up to 1947, neither in physical volume nor in landed value. The earlier year was, however, slightly above average. Under the quota system, it is not usual for the halibut catch to vary much from year to year.

The catch last year was 188.782 cwt., compared with 241,193 in 1947. Landed value was $2.8 millions, compared with $3.8 millions. Production of flatfish fillets was 2.5 million pounds, and the quantity marketed dressed 0.5 million pounds. A greater percentage of the raw fish was disposed of in the filleted form in 1948 than in 1947.

PILCHARD:

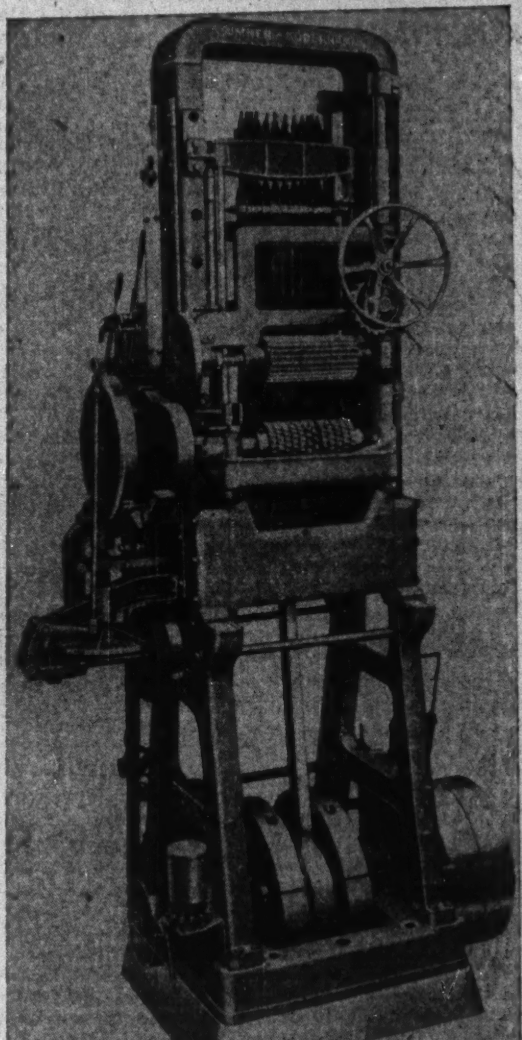
Traditionally, pilchard should fit into the picture about here. This is merely to report that the pilchard fishery was a complete failure last year. It's deep-sea fish. More than that, it has migratory habits, being found far off the California coast a good part of the year and coming north in the summer months. Scientifically, it's not provable whether its non-appearance last year and scant appearance during the couple of years preceding is due to over-fishing by Californians. While zoological work is proceeding, the scientists advise B. C. fishermen not to look for much pilchard for the next year or two.

TUNA:

Until recently tuna was regarded as a near-tropical fish, seldom caught north of Oregon. Now it's

(Continued on page 39)

ELDONA GOLD MINES reports over 300,000 shares purchased under the recent offering of rights at 55c a share. Balance of the 500,000 shares offered is being taken up under the underwriting agreement, leaving 500,000 further shares in the treasury. Shaft is being deepened from 1,000 to 1,450 ft. depth and a station for the first new level has been cut at 1,150 ft. Diamond drilling from underground workings is planned. Some deep holes are being put down from surface at the present time to test a favorable area south west of the shaft.



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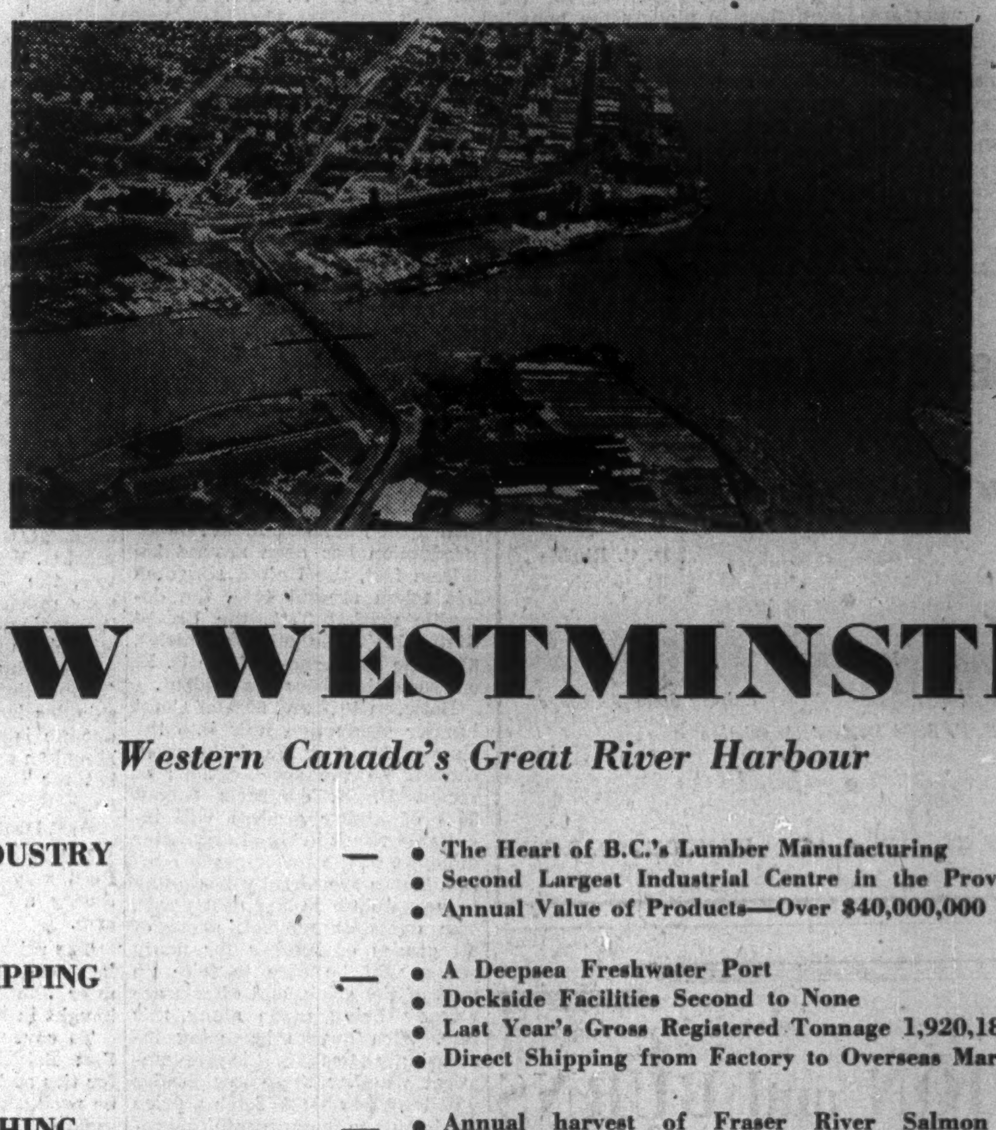

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Powell River Co. Starts Experimental Forest

Controlled Yield in Perpetuity Object of B. C. Test Program

British Columbia's forest products industry is looking ahead. It's going to give nature a helping hand in maintaining the supply of raw material essential to its operations.

Here is how Powell River Co., based 80 miles north of Vancouver on the coastline, has started an "experimental forest" where it will analyze forest management practices affecting its own area. From this study, it plans to develop in perpetuity the wood supply, currently running at 150 million bd. ft. a year, needed to maintain the company and its subsidiaries.

The Powell River Co. has embarked upon a program of forest research designed to anticipate, as clearly as possible, the conditions of forest management and operation as they will exist in the future.

The first step has been the establishment of an experimental and demonstration forest area. The primary purpose will be to study by means of long-term experiments, the various approaches to the problems of thinning, selective cutting and reforestation in stands of immature timber.

The area chosen for this experimental forest is 450 acres on company-owned property between Powell River Townsite and the villages of Cranberry and Westview.

Was Fine Stand

The main forest type is composed of 50-year-old Douglas fir, which originated after logging and fire in the 1890's. Evidence of a fine original stand of large fir and cedar may be seen in the great stumps left from the old logging.

Situated as it is in the very heart of a large wood-using community, this area has long been a source of firewood, shingle bolts and other wood products to the local population. Through lack of an organized cutting policy, some portions of the young stand have been bady overcut with the result that a wide range of conditions are found, from the natural fully stocked condition to a seriously damaged stand which can only be brought back into production after many years of treatment.

Work began on this project early in 1948. First an accurate topographic map was prepared, showing the position of hills, ravines, creeks, roads and trails. Next, an intensive forest inventory was made to find what timber types existed and what area they covered. With the appraisal of this information, the way was clear for a preliminary plan to obtain the maximum use from the experimental forest.

Five-Point Plan

Although the primary objective in this project is an increased knowledge of forestry practice, its rather unique situation and potentialities have suggested development far beyond the necessities of this alone.

The basic land-use plan is consequently five-fold:

First: To carry out experiments in stand treatment to find the silvicultural practice best suited to native species in order that future operations will yield the highest possible volume and the best possible quality on a perpetual basis.

Second: To experiment in the various methods of cutting and transportation of forest products in an intensely managed stand, so that when the time comes for selective harvesting on a large scale, the technique and the tools will be ready.

Third: To arouse public interest in forestry by demonstration, explanation and participation. Demonstration by specific examples of selective cutting methods and explanation to acquaint the public with the reasons underlying these systems, and participation by the people of the community in the selective cutting of wood products, such as firewood, for their own use.

Fourth: To bring some permanent relief to the firewood shortage in the district by making available many hundreds of cords of wood from the forest every year to be cut both by employees of the Powell River Co. for their own use, and by wood dealers for sale on a commercial basis.

Fifth: To endeavor, by controlled cutting and careful management, to beautify the surroundings of the adjacent communities of Powell River, Westview and Cranberry. Over the years, as thinning operations progress, much of the debris normal to a forest floor will disappear, and the stand will gradually assume a park-like appearance. The maintenance and improvement of bush roads will invite increased use of the experimental forest for recreation purposes.

How to Carry Out Plan

The basic plan having been thus prepared, the next steps were concerned with carrying it out in logical sequence.

Since the primary objective of the project is to carry out forestry experiments, the first work undertaken was the establishment of permanent sample plots for an intensive study of growth and yield under various systems of silvicultural treatment.

The establishment of a permanent plot requires a great deal of painstaking work, first in finding a suitable location for the plot, then in placing the boundaries and corners to ensure the inclusion of a homogeneous forest condition and, finally, the work on the plot itself.

In the permanent plots at Powell River, each tree, 2.6 inches diameter and over, was marked with a permanent numbered metal tag, measured to the nearest tenth inch in diameter and its exact position plotted on a map. Records will be kept of each individual tree on the plot, so that its growth or decline may be traced through the decades of the life of the stand. In this manner, when certain trees on the plot are removed in a thinning operation, any change in growth in the surrounding trees will be clearly revealed. Naturally, experiments such as this must extend over many years before the full results are obtained.

Will Thin Three Plots

Five such plots have been established to date. Three of these have been marked for thinning, while two will be left in their natural state to compare the untouched stands with the thinned stands.

Three different methods of thinning have been tried. In the first method, only the smaller, more crowded trees are removed. These are the trees which, as the years pass, will gradually become so heavily shaded that they will die. This process is known as natural mortality, and occurs in every normal, growing stand. Removal of these trees is called "thinning from below."

The second method consists of removing a percentage of the largest and tallest trees of the stand so that the smaller trees will be released from shade, and their growth consequently accelerated.

This method is known as "thinning from above," and has certain marked advantages over the first method. In the first place, although far fewer are cut, they are much larger, and consequently may be marketed for firewood, piling, broomsticks, or even sawlogs; whereas by the first method, the individual trees removed are so small that their use is restricted to firewood. In the second place, thinning from above increases the rate of growth of the remaining stand. Where one large tree grew before, suppressing everything beneath it, five or six smaller trees may now thrive and put on a total growth in excess of that of the single tree.

The third method of thinning, known as the Borggreve method, consists of a combination of the other two, i.e., the removal of some of the suppressed and dying trees, and also some of the larger, rougher dominant trees.

Use Natural Boundaries

Concurrently with work on the permanent plots, a system has been devised whereby the whole area of the forest is being divided into small compartments, which by reason of timber types or natural boundaries such as creeks and roads, form small blocks of timber of uniform size, type and volume. Complete records will be kept of the cut from thinning operations on these areas as a further check on yield and growth.

Other projects already under way in the experimental forest include:

Intensive studies of reproduction of seedlings in clear-cut and partially-cut stands;

The preparation of volume tables from detailed measurements of hundreds of living trees;

Installation of gates on all roads leading into the area, to prevent unauthorized removal of wood;

And the preparation of signs of several types, for purposes of education and publicity.

This small beginning, the Powell River Co. is confident, marks the start of a new era. The forest research program initiated in this small experimental area will grow and extend through the years to come, and the lessons learned by practical experimentation will eventually be applied over all their forest lands, so that this company, far from shrinking to a position of secondary importance with the passing of the big timber, will enter a new era of perpetual stability.

BC Lumbermen Study House Construction To Find New Outlet For Cheaper Grades

B. C. lumbermen are exploring techniques of home construction to find new marketing avenues for their worrisome lower grades.

One of the things they have already come up with is a plan to promote solid cedar construction for homebuilding. In simplest terms, the idea is that, instead of framing a house with studs and joists, you erect a solid plank wall. This naturally means the use of a greater physical volume of lumber, but over-all costs needn't be greater because it is proposed to use the lower grades of cedar.

According to the B. C. Coast Woods Trade Extension Bureau—a new group formed to handle advertising, extension, and research assignments on an industry basis, concentrating initially on the lower grades—solid cedar construction offers these advantages:

Durability—Cedar is resistant to most wood-destroying agencies, such as insects, fungus, and severe weather.

Strength—Because the wall is solid 2-in. plank, it has strength and rigidity, avoiding plaster cracks and jamming doors

Fire resistance—The fact that the wall is solid is itself a protective feature. Danger of collapse or disintegration is almost eliminated.

Insulating qualities—Claimed to equal nine inches of ordinary brick, or 14 inches of concrete.

An experimental home of solid cedar was built in Vancouver in 1938. Costs at that time ran slightly higher than conventional wood construction, but strapping was used to provide air space between both exterior and interior finishes. Under the 2-in. plank plan now proposed, there is air space only between the core on the interior wall; the outside finish is nailed right on to the wall, separated only by building paper. (With secondary buildings such as farm structures, the core stock need only be battened at the joints.)

The technique has also been tested in Sweden and England, and its B. C. advocates believe it is fully competitive with ordinary frame construction. What they want now is a chance to apply the principle more widely. To this end, they are asking government housing authorities at Ottawa to employ solid cedar construction in a fair proportion of the veteran homes in its "Fraserview" project in Vancouver.

The bureau itself is sponsored by the B. C. Lumber Manufacturers Association, Western Lumber Manufacturers Association, and Alaska Pine Sales Ltd. Through these organizations it achieves representation of the bulk of the industry, including MacMillan, Seaboard, and Koerner interests.

Its president is H. J. Mackin of Canadian Western Lumber Co.; vice-president, R. M. Shaw, H. R. MacMillan Export Co. Other directors: L. L. G. Bentley Canadian Forest Products Ltd.; B. M. Farris, Bloedel Stewart & Welsh Ltd.; J. A. Johannson, H. R. MacMillan Export Co.; and W. C. Koerner and T. L. Roberts, Alaska Pine Sales Ltd. Bureau secretary is G. C. Edgett.

The bureau's promotional assignment derives from the fact that, as export lumber markets have softened, off-shore customers have demanded that a high proportion of contract shipments be "clears." This has necessitated the simultaneous cutting of an equal or greater amount of lower grade lumber. The attempt is made to sell this in the domestic market—not by promoting an inferior product, but by showing exactly where it can be used with safety.

To this end, two booklets will be distributed by the bureau. The first—"Use the Right Grades of Lumber in Your Home"—is directed to architects, engineers, and contractors. The second—"Quality Home Can Cost Less" is designed primarily as a selling piece for lumber dealers, fulfilling a two-fold purpose (a) to give the dealer practical assistance in developing a market for low-grade lumber (b) to assist wherever possible in reducing building costs. The booklet traces the construction of an actual house, and, through a step-by-tep analysis, shows where today's homebuilder can effect economies through the proper use of lumber grades.

The second pamphlet will be widely advertised in shelter magazines and trade publications. In addition, a free advertising service will be offered the retail lumber dealers so that their own messages can be carried in local media.

Pulp and Paper Expansion Paces Forest Industries

(Continued from page 32)

in the future. The experts say that management will eventually mean a 50% increase in the yield of licensed land. That will mean operators can eventually look for 162% of their present requirements.

The Market Question

But unless some solution is found for the marketing problem which confronts B. C.'s major forest product — lumber — there may be drastic revision in the percentage of the cut finished in the sawmill and that going to the pulp mills. Some of the lower grades of lumber, for which producers are now striving to find a market, may eventually end up in pulp.

During the past five years, in which the average annual lumber production has been around 2¾ billion feet, the United Kingdom has taken around 40%, the domestic market 37%, the United States 15%, and other countries, 8%. The seriousness of the U. K. cutbacks thus becomes evident.

Between 40% and 60% of Coast lumber production falls into the class of No. 3 or No. 4 Common. Cutting to the specifications of recent U. K. contracts (about 80% of higher grades) will inevitably result in equal or greater amounts of the lower-grade lumber. These are already beginning to accumulate in the mill yards. The domestic market, short of all grades of lumber for many years, will be able to take up part of the slack, and efforts are already being made along this line. With buyers becoming increasingly selective, it is problematical whether these low grades will long be able to fetch a price sufficient to compensate operators for the present high cost of production.

Meanwhile, the U. S. market is being promoted for all grades of B. C. lumber. On the face of things, it would appear that the amount of lumber B. C. would need to dispose of there is insufficient to disturb seriously the U. S. lumber market. So far, the tariff hasn't been prohibitive, and the deciding factor seems to have been whether the individual B. C. mill is equipped to deliver lumber in the finished state which U. S. wants (U. K. and other off-shore markets had formerly taken lumber green and unfinished). Even the bigger operators have their fingers crossed: there is always the possibility that, with increased production in Washington and Oregon, pressure may be put on the U. S. Government to step up tariff protection.

This is already the case with plywood and doors. The former faces a 40% U. S. tariff, the latter, 22½%. In both cases, the protection is sufficient to be prohibitive to the Canadian producer.

Plywood, made chiefly from Douglas Fir, is in heavy demand domestically. No decline in over-all production is indicated, despite the fact that U. K. contracts will run out within the next two or three months. Until recently, the United Kingdom had been taking up to 35% of B. C.'s plywood production. The extent of further U. K. buying after late spring is unknown.

Doors have practically no export market now. The domestic demand is even more ravenous than for plywood. On this basis alone, there may be an increase in production over the coming year.

Shingles have had a U. S. market, but it has been even more seasonal than the U. S. lumber market. Within the past month or two, the U. S. market has been very much in the doldrums, and it remains to be seen whether it will pick up with the resumption of housebuilding in the spring. Competition with artificial shingles is keen, and some price decline is indicated. The United Kingdom and South African market for B. C. shingles has been negligible.

Deal With Britain?

Indirectly, the extension of the PGE may give B. C. forest industry a $2 million shot-in-the-arm.

The railway will need steel and locomotives to that amount. Premier Johnson suggests they be bought in Britain.

To cover the cost, he proposes that British firms place orders for ties and lumber, which would be produced in the territory contiguous to the PGE. This would be in addition to orders placed through usual channels.

When Sir Stafford Cripps visited Ottawa, a continuing committee was set up to review British-Canadian trade from time to time. Premier Johnson has secured Trade Minister C. D. Howe's assurance that the steel-for-wood exchange would be placed before this committee.

In any case, the more optimistic of B. C. lumbermen point out that there is already some feeling in Britain against the use of uneconomic substitutes for wood. A specific example was the government-required pouring of expensive concrete railway ties. The same optimists will point out that, despite the possibility of tariff barriers, the population of the United States has grown 19 millions since 1939, and that America's depleted forests won't be able to stand the drain.

Meanwhile, B. C. is doing some hard thinking on marketing problems, and her forest industry is undergoing a resultant transition.

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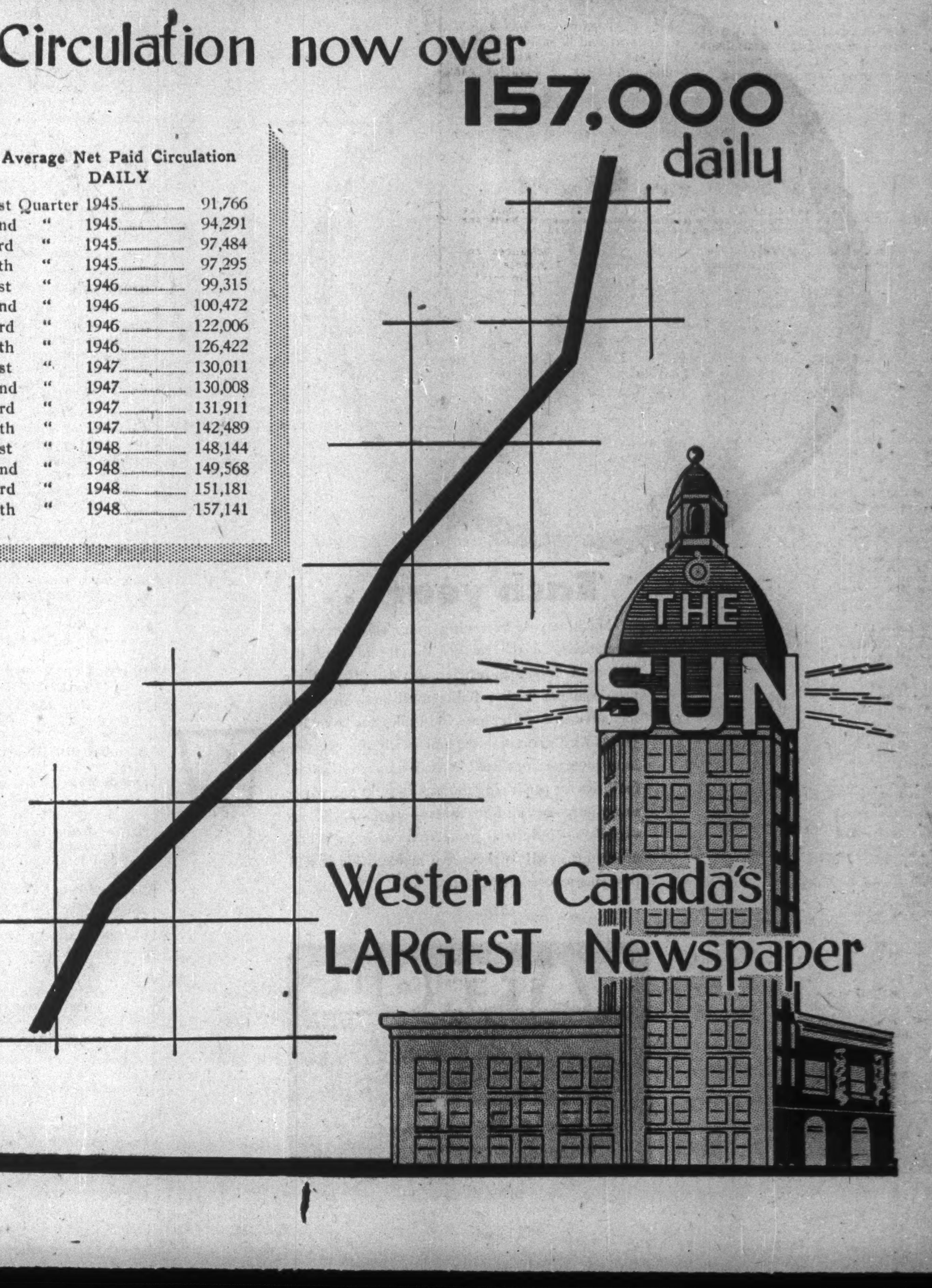

The Vancouver Sun
Circulation now over
157,000
daily

Average Net Paid Circulation
DAILY

1st Quarter	1945	91,766
2nd "	1945	94,291
3rd "	1945	97,484
4th "	1945	97,295
1st "	1946	99,315
2nd "	1946	100,472
3rd "	1946	122,006
4th "	1946	126,422
1st "	1947	130,011
2nd "	1947	130,008
3rd "	1947	131,911
4th "	1947	142,489
1st "	1948	148,144
2nd "	1948	149,568
3rd "	1948	151,181
4th "	1948	157,141

Western Canada's
LARGEST Newspaper

PGE Expansion Plans Point to Regional Growth

Major Interior Area Affected In Program for Pay Freight

After 40 years of frustrated planning, it looks as if the Coalition Government's latest announcement on PGE expansion marks "the real thing."

The days when British Columbians believed their public-owned railway to be the north-south economic lifeline through the province are almost forgotten now; "white elephant" grew to be the more customary term of reference.

Today, optimism is reviving that the Pacific Great Eastern Railway may yet fulfill the purposes for which it was begun. This optimism stems only partly from the fact that construction work is to be resumed this summer; even more it reflects a broad pattern of regional development.

Need Freight and Power

Decision to construct a highway link with Vancouver on the south and to extend the rail lines to Prince George on the north can be measured up alongside the following business principles:

(a) The PGE must be put on a more efficient operating basis to cut costs. Dieseling the northern section of the line, purchase of other equipment, plus a four-year program for "rehabilitating" the right-of-way, are steps to this end.

(b) The PGE must get more freight to carry. Construction of a lumber assembly plant at Squamish (on deep water), and encouragement of a pulp mill at Quesnel, fit in at this point.

(c) Additional hydro-electric power will be needed to speed the economic development of the interior region which the PGE serves. The government will make an interest-free loan of $5 millions to the B. C. Power Commission for an initial development of 25,000 hp at Quesnel.

Amplifying his statement to the B. C. Legislature, Premier Johnson tells The Financial Post that he expects the rail extension northwards to Prince George to be completed "within a year or a year and a half."

Ask Federal Aid

Estimated cost is $8 millions, to be raised through a loan. He has asked for federal assistance, and is waiting a decision now.

As soon as weather conditions permit, government parties will be in the field to make final construction surveys and to put in the stakes. Their data will form the basis for calling of tenders. Construction will get under way this summer.

Completion of the line to Prince George will:

(a). Enable industries contiguous to the PGE to enter the Prairie market by way of the Canadian National Railways' Prince Rupert-to-Yellowhead line. This is of importance to lumber producers in the area.

(b). Provide another outlet to deep water at Prince Rupert.

(c). Make the proposed lumber assembly plant at Squamish available to shippers of lumber in the Prince George area.

(d). Enable feed grains grown on the Prairies to be shipped by shorter route to the B. C. "cattle country" in the Cariboo, so that cattle can be "finished" there instead of being shipped to Vancouver for finishing. (Later, with extension of the PGE still further to the Peace River country, it is believed cattle production in the Cariboo could be doubled.)

The road line to Vancouver on the south (some 30 miles away, with a 20-mile gap now to be built) is a $2 millions project, to be paid for out of the province's own highway construction program. Some of the work has already been started.

What Highway Means

Diesel freight trucks and passenger buses will operate over this highway. Since Squamish is itself suitable for deepsea harbor development for the handling of heavy freight, the road is most important to the passenger and express traffic. By cutting Vancouver-to-Squamish time from 3½ hours (boat) to 1½ hours (bus), morning passengers from Vancouver will be boarding trains in Squamish at 11 a.m.

From a tourist standpoint, this fact is more important than it sounds . . . it will mean that passengers will pass through one of the most spectacular sections of the route during daylight hours. Little publicized, 200 miles of PGE trackage in the coast mountains offers scenery rivaling that found in the better-known regions of the province.

The highway will also give the PGE much new business from Britannia, and will likely encourage people to settle in the territory tributary to the PGE in larger numbers.

These two extensions will negate the description of the PGE as a railway which "starts nowhere and ends nowhere." It is also part of a more ambitious program, to which the government has pledged itself though no details have been approved, for the extension of the PGE into the Peace River country.

The price tag on the Prince George-to-Dawson Creek extension would be in the neighborhood of $35 millions. The magnet would be coal, possibilities for oil, and substantial shipments of wheat.

The Coal Prospects

Northeast of Prince George, in the Hasler Creek region, lie at least 200 million tons of coal. It tests at 15,000 B.T.U. which is among the hottest on the continent (hot enough to burn out a furnace grate unless carefully used). Futhermore it has a low ash content and is easily powdered. These, experts say, are the two prime requisites of coal for gas turbines.

Although gas turbines for locomotives are presently fueled on oil, special research now under way in the United States may lead to successful means for burning coal.

Engineers at Bituminous Coal Research Inc., Dunkirk, N. Y. have tested some of the coal from the PGE's untapped hinterland and say "it looks like the best coal known in North America" for gas turbine use.

Another 500 pounds is now en route to Columbus, Ohio, to be tested on equipment built by General Electric and American locomotive. The coal will also be tested on the steam locomotives of the national railways.

Out of such experiments may emerge a real incentive to push the railway on as far as Hasler Creek at least. Once that is done, it felt that 25 million bushels of wheat in the Peace River territory will quickly and inevitably pull the rail lines through to Dawson Creek.

Hunt for Oil

Coal and wheat, it is argued, represent a steady pay-load which could write off "the PGE problem." While oil has yet to be produced in the northeastern part of the province beyond the mountains, the geological formation is said to be suitable, and Phillips Petroleum Co. is currently exploring in the area. Any large scale oil or natural gas discoveries would add further weight to the insistent demands of Peace River farmers that the railway must "go through."

Logic of the extension is the fact that the distance from Dawson Creek in the Peace River country to Squamish at sea level would be only 730 miles by PGE. Via Edmonton, it is 1,231 miles to Vancouver. From Dawson Creek to Fort William is 1,740 miles

Once the rails are put through to the Peace, Squamish expects to see one or more grain elevators along its waterfront. The town has become boom-minded of late.

For the Dieseling of 227 miles of line between Lillooet and Quesnel, PGE has recently purchased five Diesel engines at a cost of $400,000. Saving in operating costs is estimated between $8,000 and $10,000 a month.

An additional $329,000 is to be spent on a snow plough, gondola cars and cabooses, and 50 flat cars. Delivery is expected shortly. Equipment to modernize the PGE repair shops is also on order.

To rehabilitate the right-of-way after the past nine years of wartime scarcities, the following sums are being or will be spent (in excess of normal operation): 1948, $725,000; 1949, $920,000; 1950, $400,000; 1951, $400,000; and 1952, $400,000. After that, expenditures on maintenance can be reduced to a normal operating basis.

Program at Squamish

Development of terminal facilities at Squamish will also have the effect of reducing costs, since it has hitherto been necessary to maintain a costly barge service to take PGE cars to other ports for unloading. The significance of the lumber assembly plant, for which the province is seeking federal funds, is that it will enable sawmills along the PGE to participate in shipload cargoes and thereby benefit in cheaper operational costs. They will also be in a position to participate in larger orders by contracting on a group basis.

There is, as well, a logical tie-up between the proposed Quesnel power development and the forest industries. The site has an ultimate capacity some four times greater than the initial 25,000 hp installation. The lower figure will take care of the needs of the surrounding towns of Williams Lake, Wells, and Prince George for several years. If, as is hoped, a pulp mill is attracted to the area, its capacity will immediately be utilized to the full, and further power development on the site will be indicated.

In addition to providing payload for the railway, a Quesnel pulp mill would give backbone to the economy of the region by the employment of some 700 men. Further secondary industries would be expected in its wake.

The Quesnel pulp development is still in the tentative state, but Bowater interests are said to be examining the site.

PGE Sales Rumors

Thus, the PGE extension fits into a pattern of regional development which looks promising for the future. There have been, from time to time, reports that the government would get out of the railway business by selling the PGE to U. S. interests. In committing his government to further construction on the line, Premier Johnson spiked rumors of a pending sale. He outlined in considerable detail to the Legislature the negotiations which had been undertaken with a group represented by a Seattle engineer — negotiations which were "in large measure promotional and involved the alienation of many of our rich resources."

"At no time," he said, "have we received a bona fide offer or proposal . . . The government is willing to consider offers for the Pacific Great Eastern, but those offers must be on a sound business basis, with proper financial backing and free grants of land and resources."

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SIGMA MINES (QUEBEC) reports the following highlights: Earnings of 56 cents (44 cents in 1947); A record ore tonnage milled—408,155 tons; A 16,900-ton boost in ore reserves to 1,416,600 tons; Working capital increased by $101,000.

The mill was maintained at capacity in 1948 with displaced persons employed of "greatest assistance in this achievement." Of ore reserves of 1,416,600 tons, 506,200 tons represent broken ore or over a year's milling requirements. Grade of ore milled during the year averaged $6.13 a ton against an average gold content of $7.42 a ton for unbroken ore reserves.

Main stoping operations were above the 9th level in 1948.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Bullion production	$2,417,460	$2,105,051
Less: Oper. exps.	1,821,222	1,476,486
Net earnings	596,238	628,565
Add: Cost aid	160,570	....
Misc. inc.	29,602	29,981
Less: Prod. tax	28,000	22,500
Income tax	128,000	86,000
Def. dev. w/o	....	19,588
Deprec.	72,095	90,896
Net profit	558,315	439,564
Less: Dividends	450,000	400,000
Surplus for year	108,315	39,564
Earned per Share	$0.56	$0.44
Paid	0.45	0.40

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & bullion	$432,285	$383,170
Govt. bonds (cost)*	1,000,167	980,850
Accts. rec.	46,082	27,147
Cost aid assist.	75,219	....
Mat. & supplies	286,290	239,337
Total curr. assets	1,840,043	1,630,504
Prep. & def. chgs.‡	25,762	16,367
Def. development	93,701	93,201
Claims & props.	422,400	422,400
Plant & equip.▴	274,292	267,977
Total assets	2,656,198	2,439,449
Accts. & wages pay.	166,347	139,612
Res. for taxes	98,363	66,664
Contingencies res.	20,000	20,000
Divd. pay.	250,000	200,000
Total curr. liab.	534,710	426,276
Capital stock	1,000,000	1,000,000
Surplus‡	1,121,488	1,013,173
▴After depr. of	1,736,129	1,664,742
‡Incl. ref. EPT	5,000	5,000
*Market value	1,005,125	1,025,000
Working capital	1,305,333	1,204,228

OPERATING STATISTICS

	1948	1947
Tons milled	408,155	356,962
Average recov.	$5.92	$5.80
Ore reserves, tons	1,416,600	1,339,700
Grade ($35 gold)	$7.42	$7.23

DOME MINES experienced a decline in net profit to 84 cents in 1948 from $1.00 in 1947 due chiefly to increases in labor and supply cost plus increased development work. Cost-aid amounted to approximately $155,000, was only a fraction of present higher costs, President Clifford W. Michel points out.

A further $1,195,000 was advanced to Campbell Red Lake Mines bringing total advances to $1,630,000. Working capital is expected to decline further as advances continue to be made to enable Campbell to reach production in the first half of this year. Campbell advances may exceed earlier estimates by $600,000 due to increased costs. A small interest has been acquired in Western Minerals and Western Leaseholds holdings some 488,000 acres in Alberta including ground in the Leduc and Redwater fields.

During 1948 holdings in East Geduld Mines in South Africa were sold at a substantial gain over cost, and proceeds transferred to Canada at official rate of exchange.

Not included in $6,054,239 working capital at the end of 1948 (taking securities at market value) was $4,691,000 market value of Sigma shares or value of large shareholdings in Campbell Red Lake.

Development footage was more than doubled at 16,882 ft. in 1948 and there was a general increase in activity on lower levels. Further diamond drilling is planned this summer at Bachelor Lake.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Bullion prod.	$5,463,596	$5,601,804
Add: Misc. op. rev.	30,366	....
Less: Oper. exps.	3,881,218	3,275,767
Oper. earns.	1,612,744	2,326,037
Add: Oth. inc. (net)	490,366	519,807
Cost aid assist.	155,212	....
Net earnings	2,258,322	2,845,844
Less: Tax res.	417,000	596,000
Depreciation	101,512	72,046
Outside expl. w/o	113,996	64,289
Net profit	1,625,814	2,113,509
Less: Dividends	1,508,668	1,996,668
Surplus for year	117,146	116,841
Earned per Share	$0.84	$1.00
Paid‡	0.77½	1.00

‡Dividend payable in Jan. of following year included in appropriations.

CONDENSED BALANCE SHEET
(Canadian funds)

As at Dec. 31:	1948	1947
Cash & bullion	$1,035,515	$747,162
Accts., etc., rec.	277,351	243,192
Cost aid	45,249	....
Govt. & oth. bds.‡	2,641,110	3,443,201
Shareholdings§	1,629,987	2,552,793
Supplies	695,776	651,345
Total curr. assets	6,324,988	7,637,693
Prep. & def. chgs.	84,999	54,035
Invest. in subs., etc.	3,541,607	2,425,676
Mng. cls. props.	6,308,043	6,308,043
Plant & equip.†	436,691	309,869
Total assets	16,696,328	16,735,316
Accts. & tax. pay.	357,979	416,456
Other liab.	596,272	730,724
Total curr. liab.	954,251	1,147,180
Reserves	5,354,708	5,315,913
Capital stock	7,000,000	7,000,000
Surplus	3,387,369	3,272,223
‡Market value	2,524,653	3,154,456
§Market value	2,420,000	4,155,706
†After depr. of	3,695,642	3,615,830
Working capital	5,370,737	6,490,513

▴Includes investments at cost; taking investments at market value working capital totaled $7,804,381 in 1947, $6,054,293 in 1948.

OPERATING STATISTICS

	1948	1947
Tons milled	620,800	595,200
Average recov.	$8.80	$9.41
Ore reserves, tons	2,447,000	2,506,000

CEPERLEY, ROUNSEFELL & CO.

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(1949 is our 63rd year)

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846 W. Hastings St. Vancouver, B.C.

SPLENDOR SINE OCCASU

BRITISH COLUMBIA 1949

Many economic problems exist that in this present year may affect British Columbia's economic progress. Unfortunately, the majority of them are founded on international political and economic uncertainty and are largely beyond our control. Despite this, however, there is every reason to hope that in 1949 we will continue the advances of the past few years in all fields of social and economic progress.

This continued economic progress is well illustrated by a study of the following factors of production and income affecting business activity in the Province. While in some cases, partially due to changes in dollar values, the increases are nevertheless truly indicative of our increased economic stature.

PRODUCTION AND INCOME FACTORS AFFECTING BUSINESS ACTIVITY IN BRITISH COLUMBIA, 1944-1948*

	Unit or Base Period	1944	1945	1946	1947	1948*
INCOME:						
Industrial Payroll	$	388,100,000	383,700,000	403,161,610	490,000,000*	520,000,000
Retail Sales	1935-39—100	174.0	190.9	221.8	250.6	280.8
Wholesale Sales	1935-39—100	199.0	226.5	271.9	314.6	340.0
Sales of Life Insurance	000$	44,550	58,258	92,064	103,104	102,000
PRODUCTION:						
Net Value of Production (D.B.S.)	$	543,947,198	535,488,648	591,478,855	775,000,000	875,000,000
Wholesale Price Index	1926—100	102.5	103.6	108.6	129.0	155.0(1)
Retail Price Index	1935-39—100	118.9	119.5	123.6	135.5	155.0
Freight Loaded	tons	9,541,029	8,399,597	8,171,456	9,904,060	9,905,000
Bank Debits	000$	3,735,622	4,416,364	5,367,594	6,539,916	7,043,620
Electric Power Consumption	000 K.W.H.	2,577,000	2,788,577	2,820,188	3,011,763	3,382,000
POPULATION:	No.	932,000	967,000	1,003,000	1,044,000	1,082,000

* Preliminary Statistics, Subject to Revision.
(1) On 1926 base—on 1939 basis estimated to have doubled.

As further shown by recent announcements, your Government is providing and will continue to provide in increasing measure every possible assistance in the encouragement of economic development. Highway and railway facilities are being vastly improved and extended, power developments are being carried out and research projects undertaken. But the greatest aid of all is the provision of an administration acting on the sound basic principles of democratic, responsible government.

In line with these economic developments and in many ways made financially possible by them, extensive improvements in social conditions are being carried out. The fields of social, health and educational services are being brought up to the highest possible modern standards and will continue to be improved to the extent that our resources permit.

Areas without the advantages of our great natural resources and our anticipation of continued growth might well find such a programme difficult to achieve. British Columbia's financial position, however, has constantly improved by careful and confidered management in the past few years and is now unexcelled in the provincial field. As evidence of this it should be noted that the per capita net debt and per capita interest charges have been very greatly reduced, and at December 31, 1948, were $117.95 and $5.54 respectively, as against $177.74 and $8.42 in 1941.

HERBERT ANSCOMB,
Minister of Finance

PROVINCE OF BRITISH COLUMBIA
DEPARTMENT OF FINANCE

Will Aluminum be Key to Future B. C. Industrial Growth

Alcan Spending $1 Million Reynolds Also Seeks Power

Nothing can be said about B.C. development which will excite the imagination as much as the aluminum possibilities.

Today the province makes no aluminum; in a period of years it could conceivably be the world's largest aluminum producing area.

True, all three of the projects discussed so far are still in the survey stage. Nevertheless, one of the interested companies, Aluminum Co. of Canada, is currently spending $1 million in engineering studies alone — an indication at least of serious intent.

The projects themselves are difficult to conceive in their magnitude, stimulating in their possibilities.

Any of them, if completed, would mean that a city of 50,000 people would arise in a relatively primitive part of the B.C. coastline.

Any of them would mean the utilization of as much or more electric power than is now used by all the industries and domestic consumers in the rest of the province.

Any of them would entail a capital investment of $300 millions or more; would mean an annual production of $10 millions worth of aluminum; would provide direct payrolls of some $50 millions a year.

Any of them would stimulate development of the rest of the coastline, by providing a Maritime traffic of no small proportions — at least 35 ships fully employed in making 200 trips a year along the coastline, carrying in bauxite and taking out aluminum ingot.

Any of them would be reason for development in adjacent agricultural or servicing industries; would provide a market for the farms of central B.C.

Here Are Power Sites

Such is the broader prospect. Before going into the details, it may be well to take a look at the power sites — for that is the only thing which B.C. is asked to contribute to the bargain.

Three sites for aluminum processing are indicated along the B. C. coastline. In each case, the project entails drilling a tunnel through coast mountains and dropping water from interior lake systems quickly down to sea level. This provides substantial "heads" of 2,000 to 3,000 feet, and accounts for the impressively large horsepower potential. Dams are required to prevent the lake systems from flowing into the Fraser network, dissipating their "head" uselessly by flowing hundreds of miles circuitously to the sea.

The three sites, which are completely within B.C. territory, are as follows:

1. Tidewater site for plant on Bute Inlet. Waterpower derived from Taseko-Chilko-Homathko lake system, providing 1 million h.p.
2. Tidewater plant on Dean Channel. Waterpower from Eutsuk-Whitesail-Kimsquit lake systems, providing ¾ to 1 million h.p.
3. Tidewater plant on Gardner Canal. Waterpower from Tahtsa-Kemano lake systems, providing ¾ to 1 million hp.

From an engineering standpoint, these three sites can be reduced to two. By putting a dam across the Nechako River which drains both of the latter two lake systems, it would be possible to divert their potential into a single power development which would deliver in excess of 1½ million hp. Thus, No. 2 and No. 3 above may be considered as either alternative or combined.

Why Sites for Aluminum

The Water Rights Branch did preliminary work on mapping out the power possibilities at these sites prior to the war. The question naturally arose as to what type of industry could feasibly make use of a power development of such magnitude. It focussed down to aluminum; for the following reasons:

1. Aluminum production requires more electric power than any other commercial process per dollar of product. For instance, it requires twice as much as for the electro-chemical method of producing chlorine or caustic soda; three times as much for wood pulp; six times as much as for other types of metals; and 30 times as much for typical metal and wood finishing processes.
2. The power must be very low in cost because the product made in Canada must absorb freight rates to world points and protective tariffs of the importing countries. The U. S. tariff alone amounts to as much or more than the total cost to the American manufacturers, and some other foreign countries have even higher rates. It is believed that B. C. power, at the remote sites indicated, can be developed at low cost per unit.
3. Aluminum comes from bauxite which must be imported. These powers developed at tidewater are close to manufacuring sites where deep-sea vessels may bring the materials. There are no other materials needing so much power which can be so handled.

Aluminum, then, was the logical industry. But which specific companies?

Two firms are now looking at the three aluminum sites already mentioned. They are Aluminum Co. of Canada and Reynolds Metal Co.

A third company, Aluminum Co. of America, wants to use B. C. water in the far northwestern part of the province to supply power for its plant which would be situated near Skagway on the Alaska side of the international border. Here, again, the project is one of diverting water from its natural flow. Instead of draining via the Yukon River into the Bering Sea, the waters of Bennett Lake would tumble rapidly through a tunnel into the North Pacific, delivering from 1 to 1½ million hp. The investment would range between $300 and $500 millions — the bulk of this representing development on the Alaska side of the border. The dam which would prevent Bennett Lake from making its natural flow, and the start of the tunnel which would deliver its flow elsewhere, would be on B.C. territory.

Alcan in the Lead

Of the two companies interested in a wholly B.C. operation, it is now evident that Aluminum Co. of Canada will get first choice of sites, and the Reynolds Metal Co., second choice. Premier Johnson has enunciated this policy in the Legislature, explaining that the Canadian firm was "first in the field," and "has spent a year with engineering parties doing detailed work on the available projects."

Though it has been popularly believed that the various aluminum interests might proceed simultaneously on development of sites in B.C., Lands and Forests Minister E. T. Kenney drops a strong hint that the projects may be alternative to one another — at least for a considerable time. He points out that "an additional billion pounds to existing supply is a lot of aluminum and will probably go a long way to meeting demand throughout the world." A billion pounds of aluminum, incidentally, is the approximate yearly output by use of 1 million hp. of electrical energy, and it will be noticed that some of the B. C. sites already mentioned are capable of delivering that much power alone.

To those who believe that the usage and supply of aluminum today is where steel was 100 years ago, this would present no real concern. They would foresee an expanding world market for aluminum which would eventually bring all of the aforementioned power sites into use.

Nevertheless, Mr. Kenney's calculations would appear to throw the spotlight most directly on the Aluminum Co. of Canada project — for short term prospects at least.

Eight or nine years ago, this company did some tentative engineering investigation, but plans were delayed by war conditions. Two years ago, Mr. Kenney visited the company's plants in the Saguenay Valley of Quebec and "saw there what the development of power can do for a formerly remote and primitive country." He invited the company to investigate B.C. sites. Following trips west by the company's President R. E. Powell and Vice-President McNeely DuBose, decision was made to proceed with more detailed investigation.

The Salmon Spawning

The government, meanwhile, has given its assurance that the development of power sites for aluminum will not interfere with salmon spawning grounds. It has the statement of the International Fraser River Fisheries Commission that the more northerly projects radiating on Dean Channel and Gardner Canal would in no way affect the fisheries. If the Aluminum Co. wants the third one, Bute Inlet — "every possible consideration will be given to those (salmon) interests."

It is pointed out that power development of the kind contemplated, because of its need to store water in freshet for use in low flow periods, would thereby assist in the control of floods.

In the over-all planning of B. C. development, the aluminum project occupies a very happy position. Most of the province's wealth has been of a primary nature and based on the extractive industries, some of which are ultimately "expendable." In contrast, in the proposed arrangement, B.C. contributes only a non-expendable resource — water which would have flowed to the sea anyway and which, up to the present, hasn't been harnessed. The rugged nature of the terrain would make it difficult to transport this power any great distance, hence it will only be harnessed by a substantial industry which is capable of using a large amount of the power right at the site.

Ingredients Imported

All other ingredients are brought in. The principal one is bauxite from British Guiana, with four pounds coming in for every pound of aluminum ingot shipped out. (The Reynolds Co. gets its bauxite from Jamaica; estimates it has sufficient supply there to last 200 to 300 years). Also needed is "Cryolite," a solvent which comes from Greenland. Carbon electrodes come from Texas. Of the end product, aluminum ingots, only 10% of Canada's production has hitherto been consumed in this country. Here, then, is probably the most outstanding example of a large industry which is forced to come to power.

An adjacent supply of aluminum ingot would naturally be a stimulus to secondary industry in the province. Fabricating plants can be foreseen in such centres as Vancouver. Today, aluminum is used for many purposes not previously thought possible, in fact for nearly every purpose where steel and copper are used. It has been employed, for instance, in bridges, transmission lines, towers, and even ships. The potential significance of the last becomes evident when it is realized that B. C. shipbuilding is presently hampered by its distance from major sources of supply.

Some political overtones have crept into the planning. With an investment of such magnitude, Mr. Kenney has told the Legislature, the companies "want to know, and are entitled to know, what the future is, in so far as continuity of operation is concerned, and when those who would like to obtain political power declare that, if and when they do that, such and such an industry is going to be taken over and operated by the Government, it does not lend encouragement to prospective industry settling in the province and justifies the enquiry as to anxiety of government."

"Such an opportunity to dispose of an asset wasted does not come very often and should be encouraged," the minister concludes.

---

2 Million Bangs In Quiet Capital

Toppling the huge timbers, hacking the mine face, pulling in the purse-seine nets—that's typical B. C. work. And yet the province has an ample share of little-known, and sometimes unusual, business enterprises.

Some 30 employees of a Victoria firm, for instance, spend most of their time putting a bang into our Christmas celebrations.

Some 2 million bangs, that is the average yearly production of the Canadian Christmas Cracker Co. These noisy novelties, said to have originated in Holland and to have been adopted enthusiastically in Britain, are sent out each year to add hats, prizes, and prophecy to Yule celebrations in Canada and abroad.

Biggest one yet made by the Victoria firm, says owner Fred Richardson, was back in 1937. It measured 26 ft. long x 6 ft. high, contained a new automobile.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SEIBERLING RUBBER CO. OF CANADA 1948 net profit was off 45.5%. Volume of sales compared favorably with 1947. Because of rubber industry's highly competitive situation on one hand and increased costs of material, labor and other factors on the other, profits were less than in 1947.

There was no shortage of tires in the industry and from present indications company will be operating in a buyers' market during 1949, annual report states. Profit picture, however, is not clear and with present operation costs and selling price, profit outlook is not bright, President Marcus L. Brown states.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$246,738	$430,734
Less: Deprec.	120,243	99,550
Bond int.	25,450	27,141
Income taxes	22,000	155,000
Add: Misc. inc. (net)	11,469	17,007
Net profit	90,514	166,050
Less: Com. divds.	......	37,500
Surplus for year	90,514	128,550
Times Bond Interest Earned:		
Before depr.	10.15	16.50
After depr.	5.42	12.83
Earnings per Share and Dividend Record:		
Common	$1.81	$3.32
Paid	....	‡0.75

‡Pay. Feb. of following year.

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & Dom. bds.	$213,909	$219,014
Call loan	......	200,000
Accts. & bills rec.	415,363	533,851
Inventories	1,284,898	792,037
Total curr. assets	1,914,170	1,744,902
Prep. ins., adv., etc.§	13,608	4,992
Def. chgs., etc.▲	44,476	75,329
Fixed assets*	468,463	512,795
Total assets	2,440,717	2,338,018
Accts. & tax. pay.	575,868	566,378
Serial bonds pay.	25,000	25,000
Other curr. liabs.	41,392	82,493
Total curr. liab.	642,260	673,871
Funded debt	625,000	650,000
Reserves	77,330	78,681
Capital stock	342,905	342,905
Capital surplus	95,677	95,677
Earned surplus♦	657,545	496,884
*After depr. of	1,197,669	1,124,338
▲Incl. ref. EPT	21,271	40,610
♦Incl. ref. EPT	47,263	40,610
§Incl. in curr. assets in co's. report.		
Working capital	1,271,910	1,071,031

G. TAMBLYN, LTD. 1948 net profit was off slightly at $290,338 ($294,139). Retail sales attained record volume at $7,310,295, increase over 1947 of $257,392. Revenue from warehouse and agency sales, rents and sundry other sources was $123,915.

Operating costs increased markedly and while much of increase is applicable to operation of additional stores during part of the year, their operation is also reflected in increased sales.

Other major expense items showing increases are stores, warehouse and office salaries, rents, property taxes, advertising, insurance and provision for depreciation of buildings, store fixtures and equipment.

Three new retail units were added in Toronto, and a branch in Belleville. All three are showing marked progress, annual report states. Company's subsidiary Advance Show Case Ltd. is established in new building provided by company on leased basis at 2113 Dundas St. W., Toronto. Several other store locations have been secured or are in process of completion and these units will be in operation as they become ready this year.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$692,537	$774,005
Less: Deprec., etc.	78,378	68,237
Pension fund	74,677	67,955
Invent. res.	50,000	50,000
Loss on fix. assets	290	▲1,833
Income tax res.	199,479	295,507
Add: Invest. prof.	625	......
Net profit	290,338	294,139
Less: Pref.: divds.	20,000	20,000
Common divds.	179,200	168,000
Surplus for year	91,138	106,139
▲Profit.		
Earnings per Share and Dividend Record:		
Preferred	$29.03	$29.41
Paid	2.00	2.00
Common	2.41	2.45
Paid	1.00+0.60	1.00+0.50

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & govt. bds.	$487,472	$663,031
Accts. rec.	131,274	55,782
Inventories	1,562,238	1,546,882
Total curr. assets	2,180,984	2,265,695
Inv. & adv. sub. co.	25,300	11,789
Misc. assets▲	151,057	212,981
Fixed assets*	776,436	593,638
Total assets	3,133,777	3,084,103
Accts., etc., pay.	687,514	716,299
Taxes payable	108,112	170,791
Total curr. liab.	795,626	887,090
Invent. res.	100,000	50,000
Capital stock	540,000	540,000
Capital surplus	†	411,900
Earned surplus♦	1,698,151	1,195,113
*After depr. of	629,837	642,073
♦Incl. ref. EPT	198,235	198,235
▲Incl. ref. EPT	121,199	198,235
†Transferred to earned surplus.		
Working capital	1,385,358	1,378,605

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Here's Marketing Problem Facing B. C. Agriculture

Any report on B.C. agriculture, whether it concerns 1949's new marketing problems or conditions in some other year, is linked to the rugged topography of the province.

For geography has told B.C. to farm its river valleys intensively, and it is this land use which has determined the production picture today.

From a scant 1.7% of its total land area (Canada: 13.7%) B.C. farmers produce:

(a) Substantial, though inadequate, quantities of foodstuff for consumption in B.C.'s own urban markets.

(b) Specialty crops, for which an export market is required.

Thus, B.C. apples and berries are to be found on tables many thousands of miles away . . . while the province produces less butter and beef than she consumes, and requires Prairie feed grains to support her dairy industry.

In many ways, this is inevitable and desirable. Only through intensive use of productive land has the province's agricultural production reached today's point. $108 millions gross ($90 millions net) in 1948; edging up slightly on the previous record values of 1947 and a sizeable jump on the DBS figures of $95.2 millions gross ($47.7 millions net) for 1946.

B.C.'s Marketing Problems

But the position of an exporter of agricultural specialties in an unbalanced trading world is attended by many problems. In the past year much has happened to make B.C. aware of such problems.

Biggest single factor was the deterioration of the United Kingdom market.

Britain didn't buy any of the 1947 apple crop and isn't buying any of the 1948 crop now . . . a berry market which was tailor-made to British buying demands was cut-back . . . egg purchases reduced.

This is a serious problem to the producers concerned. And the question arises: What effect are these cut-backs having on the B.C. economy as a whole.

The best answer is obtained by determining what percentage of B.C.'s over-all agricultural production is dependent upon export markets and what is consumed domestically. To do this, it is necessary to drop back to 1946 statistics on imports and exports.

In that year, DBS sets the gross value of B.C. agricultural production at $95.2 millions (provincial statistics were higher).

Added to this, according to provincial estimate, were $49.7 millions imported into the province from outside points, chiefly livestock and dairy products from Alberta and field crops from Alberta and Saskatchewan.

Against this, the province's farm exports in 1946 were $33 millions. Bulk of this figure would represent tree fruits and berries sent out to world markets.

Thus, the larger portion of B.C. agricultural produce goes into the domestic market.

Significantly, agriculture is the only B.C. major primary industry in which this is so.

Urban Demand is Growing

The population trend would indicate that the urban demand for foodstuffs would be one of the fastest-growing in Canada. B.C. farmers will supply it in so far as this is consistent with the concept of intensive land use in the more settled river valleys.

For example, though the B.C. dairy and livestock farmer is often not happy about his dependence upon Prairie feed grain, the B.C. response is not to convert large acreage to grain, (except of course, in the Peace River Block). It is better, they reason, to grow small acreage of high-yielding crops which will, to some degree, lessen the dependence on outside feed grain. Mangels, fodder corn, root crops, and kale serve this purpose.

For the future, says a government publication, the best prospects would appear to lie in the field of mixed and dairy farming.

In contrast with some other parts of Canada, B.C. has experienced an increase in rural population—fact which has worried the government.

Studies in the Okanagan Valley show the population there up 40% and productive acreage up only 11%.

"Only in times of high prices can this sort of unbalance be supported," the legislature was told recently, " and unless the productive acreage is increased shortly difficult times may be experienced."

Irrigation Projects

The government's answer is the allocation of a special $2 millions fund to assist irrigation in the interior regions.

Coupled with the federally-financed work which PFRA is undertaking for use under the Veterans' Land Act, this should make for considerable expansion in irrigated land.

At present, PFRA is well ahead with its reclamation scheme at Pemberton Meadows. It may be completed this year, at a cost to the Dominion Government of $750,000. (The province contributes the value of crown lands up to half the cost.)

In addition, $1 million or more is to be spent on three VLA irrigation projects: 1,070 acres for tree fruits at Westbank (opposite Kelowna); 655 acres for soft fruit at Cawston Bench (Keremeos); and 1,633 acres for high grade mixed farming and dairying at Nisconlith (Thompson River opposite Chase).

Meanwhile, a permanent co-ordinating committee has been set up to screen projects which could be carried out under PRFA through co-operative financing by the federal and provincial governments, and the land-owners concerned.

At latest report, this committee was giving "serious study" to seven additional irrigation projects embracing 35,300 acres and costing more than $2 millions. In the "suggestion stage" were a further 10 projects embracing 25,200 acres.

New Farm Frontier

With all of the foregoing emphasis on intensive land use and irrigation in the more established "zones" of the province, it will come as a surprise to learn that the agricultural frontier is not yet past in British Columbia. There is still considerable room for the breaking of new sod in the north central and northeastern regions.

Bulk of the land now under cultivation lies in the south coastal region, on Vancouver Island, and in the southern interior.

This carries out the historical pattern. The early pioneers of B.C., it is explained, were not settlers in the accepted sense of the word, but rather adventurers and fur-seekers. Later these gave way to the placer miners who worked the bars of the Fraser and other rivers. "But as is usually the case in any country where the climate is suitable to permanent settlement, many who came to grow rich . . . turned to the slower and more permanent occupation of agriculture."

From those beginnings, largely servicing lumbering or mining settlements, agriculture in B.C. has grown into an exceedingly diverse operation.

Particularly noticeable has been the increase in cultivation under glass, mostly around Vancouver and Victoria. A recent survey by provincial authorities revealed 5,060,730 square feet under glass.

The Apple Crop

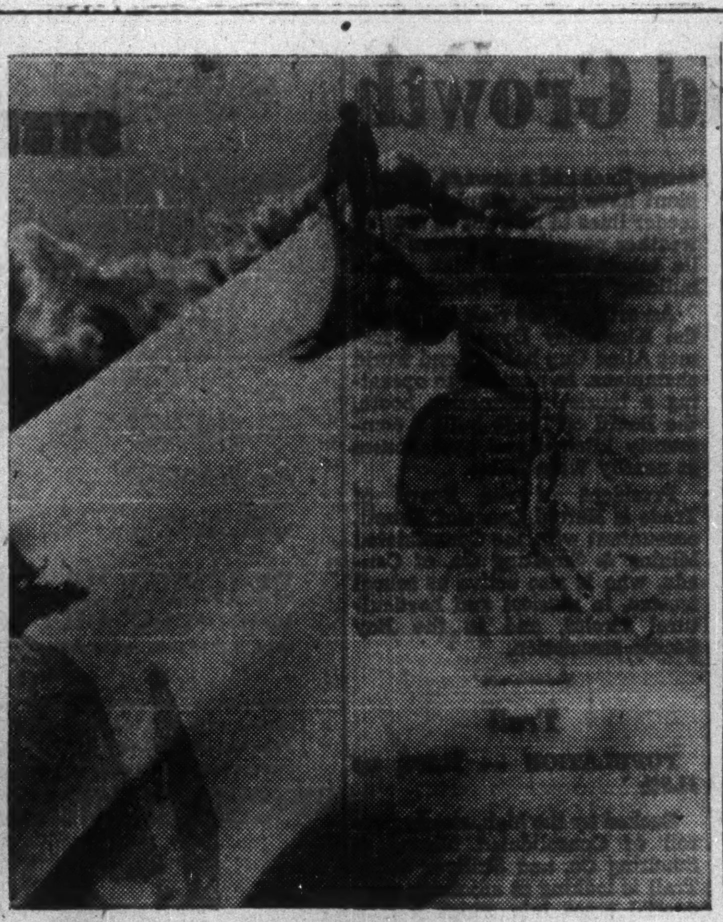
Despite loss of the U. K market for apples no serious glut has appeared. This is partly due to the fact that the crop was not as large as the two preceding years; partly due to a convenient strike which tied up U.S. shipping and allowed Canada to supply normal U.S. markets for a time; and partly due to promotion in the domestic market. Surprisingly, the volume of apples on hand at the present time is a trifle less than is normal at this period of the year. How troublesome a bumper yield in 1949 might be is a question which worries many.

The last year in which Britain bought apples was 1946-47 (representing the 1946 crop). That was a bumper year, with production close to the 10 million barrel mark. Roughly 40% went to export markets. Last year's crop was 7.2 million boxes. Though final figures aren't in, it would appear that the percentage going to export markets stayed about the same (40%, but of the smaller amount). At this level, increased sales to the United States and to South America were able to cushion the loss of the U.K. market.

Meanwhile, B.C. Tree Fruits Ltd., the counter over which all the interior growers sell, is stepping up domestic advertising.

(In Vancouver, one observer told The Financial Post he believes the industry could go a lot further in domestic promotion, as well as in equipping itself with storage facilities which would make the apple a grocery item 12 months of the year. There are certain times in the year, he said, when it is easier to buy a grapefruit in Vernon, B.C. than a locally-grown apple.)

Generally speaking, B.C. orchards are producing the commercial varieties of apples that the world buys. It is estimated that only 3 to 5% of apple orchards are in varieties which would be better pulled out. Nevertheless, in view of the unsettled market condition, the price trend points downward.



Typical of the rugged mountain country on which B. C. is building tourist industry hopes are the slopes of Mount Seymour, near Vancouver, where a major ski resort is planned.

B. C. Power Picture

(Continued from page 30)

company's facilities in the Lower Mainland and Chilliwack area more than doubled from 120,000 hp to 251,000 hp. Against this, the company now has a generating capacity of 249,000 hp. (the small difference being made up by exchanges within the Northwest Power Pool). By the end of 1950, the company will have brought into operation a further 233,000 hp, bringing its total generating capacity in this area up to 482,000 hp.

On Vancouver Island, where B. C. Electric services Victoria and other communities in the more established parts, work is under way on a 132,000 volt transmission line between Nanaimo and Victoria. The company has not, however, any generating projects under way. It gets extra power from the provincially-owned Campbell River project, and expects to supply all anticipated additional load from this source for some time to come.

The B. C. Electric also operates a transit service in the Lower Mainland and Vancouver Island, as well as generating gas. It has a major program under way of converting to trolley-coaches and buses in Vancouver, and to buses in Victoria. It has increased its gas-generating capacity in both cities.

BCER Expansion Program for 1949

Bridge River Hydro-Electric Development	
Second unit, 62,000 hp	$700,000
Third unit, 62,000 hp	1,550,000
Branch tunnel required for third unit..	500,000
LaJoie Storage Dam	1,200,000
Ruskin—third unit ..	1,250,000
Enlargement of Horne-Payne substation, construction of Sperling substation and work on other substations on Lower Mainland	3,200,000
Transmission, distribution and other electrical expenditures Lower Mainland....	3,550,000
Transmission line from Victoria to Nanaimo connecting with B.C. Power Commission line	1,200,000
Generation, substations and distribution, Greater Victoria	600,000
Light and Power extensions, Lower Mainland and Greater Victoria	2,800,000
Gas plants, structures, equipment, distribution and extensions, Greater Vancouver and Greater Victoria	1,300,000
Urban transportation, Greater Vancouver and Greater Victoria including principally additional buses, trolley coaches, trolley lines and garaging facilities	4,250,000
Interurban railway, including conversion of Fraser Valley lines to Diesel electric	650,000
Interurban bus transportation, including principally terminals and garaging facilities	750,000
Other capital expenditures	600,000
	$24,000,000

Columbia River Projects

Not quite classifiable as power development, but a very close relative, are two dam projects for the Columbia River system. One is on U. S. territory, the other on Canadian. Both have international consequences. Both are large.

U. S. interests have proposed, and President Truman has approved, a $10 millions earth and rock dam be built across the Columbia River near Castlegar, which is in B. C. From the province's side, it would mean payments of so much per acre-foot of water which is sent down for power generation purposes at Grand Coulee in the U. S.—a source of revenue which might reach $3½ millions annually. Turning the Arrow Lakes into a giant storage reservoir would facilitate certain irrigation projects in the southern interior of the province.

B. C. Communities

(Continued from page 29)

turn the wheels and in the wheels themselves."

Victoria

POPULATION — 61,400; up 39.3%

PRODUCTION — $27 million; up 196.7%

EMPLOYMENT — 4,816; up 109.5%

The capital of British Columbia has seen an industrial expansion which has brought the population of the Greater Victoria area to 104,500, including the municipalities of Esquimalt, Oak Bay and Saanich.

The expansion is built on the broad base of lumbering and fishing and associated industries, shipping, bulb and flower growing and textiles which have been Victoria's mainstay.

Added or expanded during the war were such shipbuilding and engineering concerns as McKay-Cormack Ltd., Victoria Machinery Depot Co., and Yarrows Ltd.

Mr. Miles

The postwar expansion has featured such companies as Felt & Textiles of Canada Ltd., Western Match Co., Sidney Roofing & Paper Co., Hall & Co. (clothing); Victoria Bed & Mattress Co.; Moore-Whittington Lumber Co.; B. Wilson & Co. (frozen foods), and B. C. Electric Railway Co.

Currently undergoing expansion or with immediate plans are British America Paint Co. Sidney Roofing, B. C. Cement Co., Manning Timber Products Ltd. and B. C. Electric.

Community improvements include a new hockey arena and a technical school, while Hudson's Bay Co. is increasing its store by 50%.

Pace of Greater Victoria's expansion is seen in building permit values of $11.6 millions in 1948, $9.2 millions in 1947.

More than 480 fishermen use Victoria as their headquarters, landing 20 million lb. in 1947. Small fruits, vegetables, bulbs and flowers, and dairy and poultry farms support the agricultural population of 3,000 families in the area.

Chamber of Commerce president is Walter S. Miles, secretary of the Victoria Tug Co. and agent of Union Steamships Ltd., who is a grandson of one of the earliest settlers in Victoria when it was a Crown colony. He is a director of Columbia Coast Commission, a member of the Victoria Town Planning Commission, and active in fraternal and service work.

Industrial Commissioner's Office set up to handle flood of inquiries about expanding City of Vancouver

The City of Vancouver has large tracts of vacant land, zoned for light and heavy industrial use. It will be the chief function of the new Industrial Commissioner's Office to provide complete information to interested parties.

POPULATION GROWTH

So marked is the trend of business westward, that B.C.'s population has increased over 32% since 1941. Over half of the total population of 1,082,000 live in the Vancouver trading area.

BUILDING CONSTRUCTION

1948 building construction reached an all-time high with 8,716 permits issued representing over $37,000,000. Nine recent permits total over $8,000,000 alone. The City has instituted a $50,000,000 ten year plan covering — Streets — $11,000,000, Schools — $9,000,000, Bridges and Viaducts — $9,000,000, Sewage System — $6,000,000, Water Works — $3,250,000, and Parks Development — $4,000,000.

POWER FOR EXPANSION

To keep pace with the city's phenomenal growth, the B.C. Electric has rushed the progress of its new Bridge River Power project. Begun in 1946, the first unit of this source of cheap electric power, developing 62,000 H.P., was completed last October and the second unit will be completed in April.

NEW SECONDARY INDUSTRIES

Post-war expansion has taken the form of hundreds of diversified industries and the number of plants operating now is more than double the total in 1940. Plants employing from one to five hundred are taking up much of the skilled man power used in the war industries. Most significant new plant is the Steel Rolling Mill, opened last year.

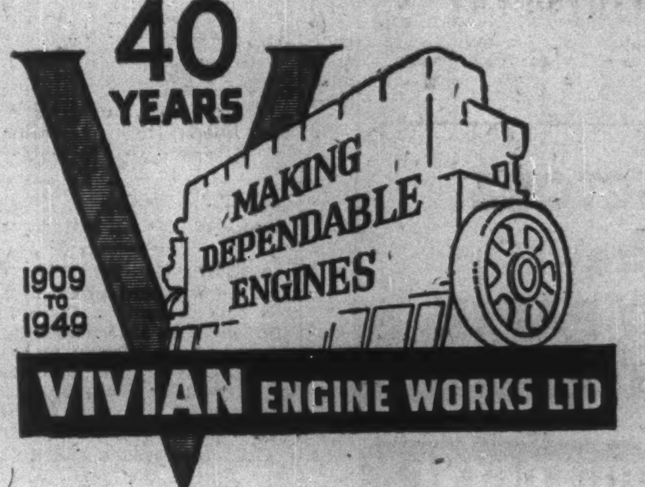
GROWING BASIC INDUSTRIES

The basic industries are still the backbone of Vancouver's economy. With their by-products they make up two-thirds of B.C.'s production total. The forestry industry jumped from $88M. in 1939 to $225M. in 1947, agriculture from $70M. to $125M., mining from $65M. to $110M., Fishing from $31M. to $66M.

INDUSTRIAL COMMISSIONER'S OFFICE
THOMAS D. FLANAGAN, Industrial Commissioner
J. F. AITKEN, Industrial Development Officer
T. H. AINSWORTH, Public Relations Officer

City of Vancouver
THIS GENERATION'S BIG CHANCE

Industries looking for detailed information—available factory space, warehouse and transportation facilities, supplies of raw materials, labor, etc., write to Industrial Commissioner, City Hall, Vancouver, B. C.



A BIG MILESTONE

BACK in 1909 Will Vivian, a young Canadian of 19, designed and built a "one lung", six horsepower gas engine and established a tiny, one room shop in Vancouver.

From that beginning, 40 years of gradual but steady growth has produced the Vivian Engine Works Limited of today, first and leading producers of Canadian-designed-and-manufactured diesel engines . . . with Will Vivian still the President . . . 95,000 square feet of space . . . a wide range of gas and diesel engines up to 625 horsepower . . . designed and completely manufactured in Vivian plants . . . branch sales and parts offices across Canada . . . a successful export business on five continents.

Vivian Gas Engines first built the firm's reputation, providing the dependability and economy engine users wanted. Eighteen years ago the first Vivian Diesel was designed and made. Now over 1300 Vivian Diesels, in four series, sizes ranging from 2 cylinder 30 horsepower to 10 cylinder 625 horsepower, are continuing to spread the Vivian reputation for reliability, in every form of stationary and marine application.

Every member of the Vivian organization regards past achievement as merely the foundation on which to build the future — a future of ever-increasing service to Canadian power users.

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A. G. MacCulloch,
Phone: Mahone 102R-3,
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MAHONE BAY, Nova Scotia.

R. E. Viscount,
Phone: 96-973,
320 McIntyre Bldg.,
WINNIPEG, Manitoba.

B. C. Communities Show Rapid Growth

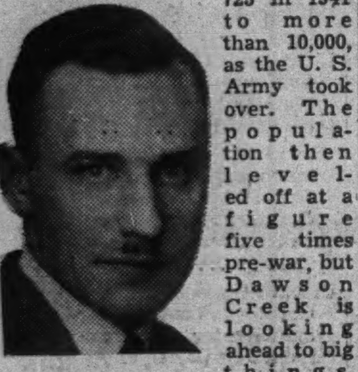
Dawson Creek

POPULATION—3,300; up 537%

At the main intersection in Dawson Creek there's a "Signpost with a Future."

That's what they say about the spot which marks Mile 0 of the Alaska Highway, 1,523 miles from Fairbanks.

Building of that highway saw the town's population boom from 723 in 1941 to more than 10,000, as the U. S. Army took over. The population then levelled off at a figure five times pre-war, but Dawson Creek is looking ahead to big things. Scheduled for completion this year is the Hart Highway, from Dawson Creek west to Prince George, which will give the district an outlet to the Pacific coast.



Mr. Sutherland

Gas, oil and coal deposits in the district are being probed for commercial development; in the rich farming area seed wheat, coarse grains and legume seeds are raised. Seven grain elevators handle the yields.

A gas field with a daily flow of upwards of 30 million cu. ft. 20 miles from Dawson Creek is being developed, and it is expected natural gas will be distributed in the community this year.

A $700,000 high school will be completed this year; a new Co-Op store costing $160,000 is near completion, and a covered rink to cost $75,000 is planned this year.

Chamber of Commerce president is Gordon A. Sutherland, local manager of the Canadian Bank of Commerce, who is also chairman of the Dawson Creek Athletic Association, directing all sports activities in the community.

Nanaimo

POPULATION—7,200; up 9.4%
PRODUCTION—$3.2 millions; up 966.6%
EMPLOYMENT — 530; up 395.3%

On the east coast of Vancouver Island, 38 miles west across the Straits of Georgia from Vancouver, British Columbia's second-oldest community is looking ahead to increased industrial and business activity.

Behind Nanaimo's optimism are these factors: nearby construction by Nanaimo Sulphate Pulp Ltd. (subsidiary of H. R. MacMillan Export Co.) of a $13 million pulp mill and $3.7 millions bleached sulphate plant; completion soon of a $2 millions terminal by CPR, centralizing boat, rail, bus and freight facilities of the company; development of B. C. Power Commission at Campbell River which will provide hydro for secondary industries.

Incorporated in 1874, Nanaimo for many years depended chiefly on the island's collieries and on lumbering, and will continue as head office for Canadian Collieries Ltd.

The new prosperity offers many municipal problems. Currently under way are steps to extend the city's boundaries; the Greater Nanaimo Waterworks Board is being formed to take in immediate suburban area; new city hall with community centre is being considered, and a large addition to the Court House is considered. Increased traffic on the CPR line from Vancouver is expected to emphasize the need for a Tourist Bureau building.

President of the Chamber of Commerce is Ontario-born James Sheldon Spurr, Nanaimo druggist since 1924, who is also vice-president of the Canadian Pharmaceutical Association.

Kimberley

POPULATION—5,700; up 42.5%

The expansion and development of the Sullivan Mine and mill of Consolidated Mining & Smelting Co. has been reflected in the growth of Kimberley, and the signs point to new revenue-producing projects in the area.

Mr Abbott

A gypsum mine has begun production in the Windermere Valley just north of Kimberley, and the Silver Grant mine in the same district has reopened. Several large mining companies have exploration crews in the area, and development of a plant to process the huge pile of iron tailings from Sullivan Mine is being considered.

In the past five years, the city has been incorporated, trunk sewer lines and a sewage disposal plant have been completed, with feeder lines to be built as soon as weather permits. A 16-room public school and new high school building are being erected.

An artificial ice rink is home of the Kimberley Dynamiters, former Allan Cup holders and world champions. In addition to operating a tourist information booth, the Board of Trade built a community kitchen and bath houses at nearby Wasa Lake.

President of the Board of Trade is Harold Lancelot Abbott, accountant with the Consolidated Mining & Smelting Co. of Canada, who is also active as school trustee, in musical and horticultural circles, and in the Boy Scouts association.

Trail

POPULATION — 10,500; up 11.9%

Backed by the high, steady payroll of Consolidated Mining & Smelting Co. and Sullivan Mine, Trail is looking at adjoining residential areas into which it may expand.

Last year amalgamation of the Sunningdale area was carried out; incorporation of Annable and Warfield are now being considered, to bring under one civic administration a total population of about 15,000.

Mr. Lauriente

Consolidated Mining's employment is currently close to the all-time high and the world demand for lead points to continued activity.

An 80-unit CMHC scheme in Sunningdale is nearing completion as a major step in alleviating the housing shortage; funds for home building are being made available to Cominco employees at attractive terms and it is expected many new homes will be built this year under the plan.

Work on a $3 millions program of school construction has seen completion of a modern school in the Warfield district; two other schools are to be built soon. A Cominco gift of $500,000 together with a downtown site has given a good start to plans for a new civic centre and ice arena which it is hoped will be ready for the 1949-50 season.

Clothing merchant Henry Roland (Hank) Lauriente, in the 1920's a member of Trail hockey, baseball and lacrosse teams, is Board of Trade president. A Rotarian, he's also a member of the Inland Empire Early Birds Breakfast Club of Spokane, Wash. At business school there at the age of 15, he was adjudged "champion boy penman of the world."

Vernon

POPULATION — 10,147; up 94.8%
PRODUCTION — $2.2 million up 144.4%
EMPLOYMENT — 376; up 111.2%

In a picturesque valley in the heart of the Okanagan country, Vernon is expanding to keep pace with its rich fruit-growing territory, with the Vernon Fruit Union the largest fruit packing and cold storage plant in the British Empire.

Added to the industrial scene since the war have been such industries as Ansel Laboratories Ltd.; Ganzeveld Bros. sawmill; Interior Cement Blocks; Obal Boat Works; Pioneer Cement Works; Schroter Electronics Ltd.; Vernon Machine & Foundry Co.; Vernon Tent, Awning and Upholstery.

Mr. Fosbrooke

Demand of Bulman's Ltd., one of the largest dehydrating plants in Canada, for vegetables for dehydration and canning has been a major factor in area's growth, while Dolph Browne Ltd. has pioneered in production of apple butter.

Almost unlimited power supply is seen in the 30,000 hp project of B. C. Power Commission at Whatshan Lake, which initial development can be doubled.

A 200-bed hospital will be completed in June.

North Okanagan Co-operative Creamery in Vernon processes milk supplied to 23,000 persons; logging camps, sawmills and box factory are kept busy supplying the district and export needs.

Harold James Fosbrooke, Board of Trade president, spent 12 years fur trading in Northern Alberta after he came to Canada from England; since 1939 has been engaged in retail house furnishings in Vernon. Past president of the Rotary Club, he served on School Board for five years.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN WESTINGHOUSE CO. 1948 net profit was up 81.6%. In common with the electrical manufacturing industry, company enjoyed new high production level in 1948, both in output and dollar volume.

Value of contracts completed with public utilities for power generating and transmission equipment exceeded those of any previous year; delivery will extend well beyond current year. These contracts with uncompleted order deliveries from previous years, assure continued operation of company's heavy electrical manufacturing divisions at satisfactory levels for immediate future, annual report states.

It is also anticipated that Ontario Hydro-Electric Power Commission's requirements for 25- to 60-cycle power conversion will need large quantities of electrical equipment, particularly early in the program.

Present indications are that industry generally will operate at about current levels, at least for first half of 1949, and that this will also be true of the electrical manufacturing industry. Current requirements of railroads for rolling stock and replacement parts for air brake equipment are expected to continue in 1949 at about the same satisfactory 1948 rate.

Expansion program includes an extension to the appliance building to make available additional warehouse and manufacturing space, especially for new products being added to present appliance lines. Warehouse building will be erected at East plant for more storage space for standard industrial type electrical and air brake products, as well as for new quarters for engineering department.

Motor plant will be built on Beach Road, Hamilton, to permit rearrangement of machinery and equipment in main manufacturing aisles of the East plant, which should result in substantial economies in production costs, as well as increased output.

Service building is now under construction on Toronto outskirts. New sales and service warehouse was completed in Calgary during the year.

It is anticipated that sufficient funds can be made available from working capital without unduly impairing its sound financial position.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Net earnings	$8,757,493	$4,704,647
Less: Deprec.	960,152	604,359
Dom. taxes	2,620,000	1,400,000
Pension fund	500,000	400,000
Invent. res.	500,000	......
Net profit	4,177,341	2,300,288
Less: Dividends	1,147,033	888,926
Surplus for year	3,030,308	1,411,362
Earnings per Share and Dividend Record:		
Common	$7.28	$4.01
Paid	2.00	1.55

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$2,362,098	$2,242,506
Accts. rec.	6,616,545	3,791,719
Invests.†	8,205,063	6,144,656
Inventories	15,262,484	14,149,590
Total curr. assets	32,446,190	26,328,471
Misc. assets▲	1,111,024	1,569,042
Fixed assets	5,925,357	5,030,739
Total assets	39,482,571	32,928,252
Accts. & tax. pay.	4,814,460	2,946,111
Other curr. liab.	9,741,193	7,787,982
Total curr. liab.	14,555,653	10,734,093
Re bldg. purch.*	301,771	600,000
General reserve	1,525,000	1,525,000
Capital stock	10,200,880	10,200,200
Surplus	12,899,267	9,868,959
†Market value	8,323,625	6,321,900
▲Incl. ref. EPT	516,970	805,000
*Secured by ref. EPT.		
Working capital	17,890,537	15,594,378

NORMETAL MINING CORP. realized a record profit of $1,557,098 or 41.4 cents a share in 1948 (28.6 cents in 1947). Working capital rose over $590,000 to a record $3,899,153 after disbursing $976,823 or 26 cents a share in dividends, and adding a special zinc circuit and a dryer for zinc concentrates.

Ore reserves declined 134,100 tons during the year to 1,625,900 tons averaging 3.51% copper and 7.67% zinc, with no important increase in ore reserves expected for the next year as sinking of No. 4 shaft is not likely to be completed before the end of 1949. Not included in reserves is a total of 460,800 tons averaging close to 12% zinc which would be profitable at existing prices.

The 236,844 tons of ore treated in 1948 averaged 2.85% copper, 8.12% zinc, 0.035 oz. gold and 2.66 oz. silver. Higher metal prices justified mining of lower grade material.

No. 4 shaft was completed from 2,900 to 3,240 ft. during the year. At the year end sinking below 3,240 ft. awaited delivery of hydro power now expected in March or early April, 1949.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Production*	$4,124,879	$3,320,111
Less: Oper. exps.	1,881,721	1,610,513
Net oper. profit	2,243,158	1,709,598
Less: Deprec.	197,166	190,857
Dom. & prov. tax.	488,894	442,741
Sundry w/o	......	376
Net profit	1,557,098	1,075,624
Less: Divd.	976,823	375,701
Surplus for year	580,275	699,923
Earnings per Share	$0.414	$0.286
Paid	0.26	0.10

CONDENSED BALANCE SHEET

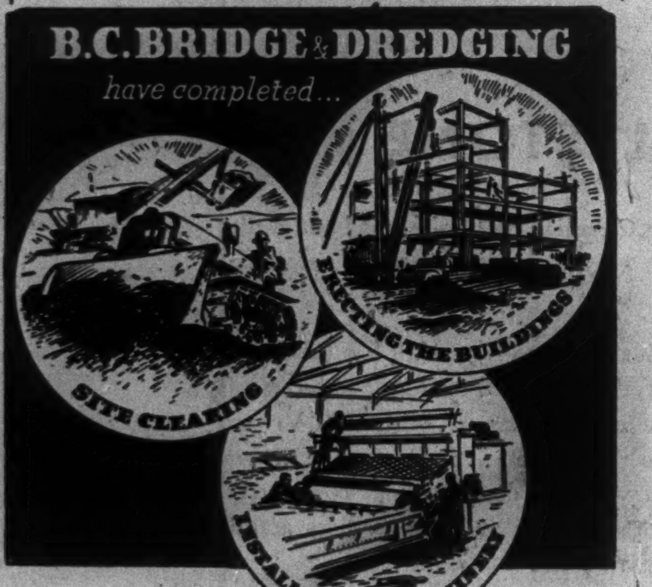
As at Dec. 31:	1948	1947
Cash & Dom. bds.	$2,768,190	$2,162,390
Accounts rec.	11,280	13,391
Concentrates sold	1,239,736	1,198,022
Stores & prep. exp.	393,890	317,846
Total curr. assets	4,413,096	3,691,649
Mining properties	80,339	75,987
Plant & equip.*	467,489	491,671
Total assets	4,960,924	4,259,307
Total curr. liabs.	513,943	387,065
Capital stock	2,297,962	2,297,962
Surplus	2,149,019	1,574,280
*After deprec. of	1,721,110	1,543,676
Working capital	3,899,153	3,304,584

OPERATING STATISTICS

	1948	1947
Tons milled	236,844	209,310
Ore reserves, tons	1,625,900	1,760,000
Grade: Copper %	3.51	3.64
Zinc %	7.67	7.63

CITY OF OTTAWA, Ont. new issue of $6.3 millions was sold to a syndicate consisting of A. E. Ames & Co., Bank of Montreal, Royal Securities Corp. and McTaggart, Hannaford, Birks & Gordon Ltd. Price was $102,074 or an average interest cost to the city of 2.96519%. Issue consists of $2,699,000 1-10 year serial 2¾% debentures, which have been sold privately, and $3,631,000 11-21 year serial 3¼% debentures which are being offered to yield from 2.87% to 3.09% for the 1960-69 maturities and at 3.20% for the 1970 maturities. Bonds are dated Jan. 1, 1949.

Proceeds are to retire a loan of similar amount negotiated with the city's bankers for the purchase of the Ottawa Electric Railway system on August 12, 1948.



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Substantial tonnages of steel from Stelco are supplied the shipyards of Canada, helping to meet the demands of an industry that has played, and continues to play, an important part in the country's industrial growth.

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ROYBAR CHIBOUGAMAU MINES option outstanding to Norwood Prospecting Syndicate, which was not exercised within time, prescribed, has been amended to provide for an option on 600,000 shares as follows: 100,000 shares at 10c to May 15; 100,000 at 12½c to July 15; 200,000 at 15c to Sept. 15; and 200,000 at 20c to Nov. 15.

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ISSUED CAPITAL: 1,875,000 Shares

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J. R. Pyper	Vice-President	H. E. Doelle	Managing-Director
A. H. Douglas	Director	S. J. Crocker	Director
F. N. Marr	Director	James Anderson & Co. Ltd.	Secretary-Treasurer

Auditors: Foster & Barrett-Lennard, Vancouver, B.C.
Transfer Agents and Registrar: Prudential Trust Company, Ltd., Vancouver, Toronto and Montreal
Solicitors: Douglas, Symes & Brissenden, Vancouver, B.C.

HEAD OFFICE: 616 STOCK EXCHANGE BUILDING, VANCOUVER, B.C.
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Government Policy Will Supply Key To West Coast Shipbuilding Future

Immediate future of the B. C. shipyards now rests on government policy.

Shipbuilding on the coast, in a high wage area and away from sources of heavy steel, has traditionally been a "feast or famine" business.

The largest, Burrard Dry Dock Co., provides an apt example. At its wartime peak, this organization employed 14,000 men. At the end of February, as it was tidying away the last of a French contract, it had 2,500 employees. With nothing definite ahead (though some interesting prospects are under discussion), it would face a drop to some 250 to 280 men for repair work only.

Its subsidiary, Yarrows Ltd., at Esquimalt, was still at work on four lighthouse tenders for the French Government, but these were expected to be completed by early April. The Canadian Government will also build a lighthouse tender, and work has been under way on small river craft for some months.

Victoria Machinery Depot and Pacific Dry Dock Co. are reported to be at the end of their new construction programs.

May Get Navy Job

Jobs in prospect for West Coast yards are limited, unless the Federal Government comes out with an ambitious program to promote Canadian shipbuilding.

Already slated for allocation, presumably to a West Coast yard, is the major re-conversion of the Canadian destroyer "Sioux." A second Canadian destroyer may undergo similar reconversion.

This outline isn't extensive when viewed alongside the feverish activity of the war years.

Most stimulating is the report that the Canadian government is considering a $50 millions program of shipbuilding for the Navy, Canadian National Steamships, and the merchant navy. Earlier this month, B. C. shipbuilders could neither confirm the report, nor give any detail on how or where the work might be allocated.

Proposals have been made to the new Canadian Maritime Commission which, if adopted, would provide further stimulus. The idea is that, through accelerated depreciation allowances or through some other formula, operators in this country could obtain Canadian-built ships at a price ultimately comparable with those in foreign yards.

World Competition

Nub of the cost problem is the fact that, while materials used in ship construction involve a transportation problem, the delivery of the "finished product" involves no such problem. Thus, ships are built and sold on what is virtually a world market, with one country's standard of living competing with another country's standard of living. In this industry, it has not always proved possible to close the gap with increased efficiency or "know how." Thus, largely because of wage differences and shorter material haul, the Clyde now builds ships some 25% cheaper than they can be built in British Columbia.

For a time, the B. C. yards could offer speedier delivery as an off-setting factor, and this was the basis of some post-war activity in B. C. yards. Today the Clyde is reported to be "catching up."

Brighter prospects for an iron and steel industry in B. C. hold scant promise for improving the cost position of B. C. yards. It is pointed out that steel can be produced in a wide variety of shapes, thicknesses, and qualities. It would appear unlikely that a new B. C. steel industry, starting out with a limited production, would consider it practical to produce heavy gauge steel for B. C. shipbuilding.

In this competitive position, new hulls will slide down B. C. ways only under direct government contract or government-subsidized "encouragement."

Repair work remains. It has been "fairly steady" during the past year, though it slackened seasonally in January.

British Columbia in '48 Set Employment Records

Despite year-end talk about the growing army of jobless in British Columbia, the province chalked up new employment records for 1948. Employment gains, according to the Federal Dept. of Labor, were greater in B. C. last year than in any other region.

Total employment averaged 423,000, increase of almost 3% compared with less than 1% for all Canada. More significant is the fact that in contrast with other regions biggest gains were made in primary industries. In other parts of Canada employment expansion was greatest in nonagricultural and secondary industries.

For example, timber scaled in B. C. last year, surpassed all previous records. At the same time, expanding industrial activity continued to attract more and more people from other sections of the country. Lured by the nation's highest average weekly earnings ($45.03 at Nov. 1 against $42.16 for all Canada), Canadians continued to flock to the West Coast.

This steady migration makes each seasonal employment letdown a stiffer jolt than the one before. This and the extremely cold winter and a power shortage which caused unexpected shutdowns and layoffs, combined in the 1948-49 winter to create the worst unemployment conditions since before the war.

This Year's Outlook Good

In his annual review of the situation, Federal Labor Minister Mitchell asserted that the B. C. employment lag was only slightly longer than normal and due solely to unseasonal weather and a power shortage. He declared the general employment situation is good and the year's outlook encouraging for both workers and employers.

On the union front B. C. continued to be the most highly organized province; but several schisms had appeared to split the labor movement. Control of the CIO-CCL had finally been wrested from the Communists. In both the Vancouver Labor Council and the B. C. Federation of Labor anti-Communists were now in the driver's seat.

The province's biggest organized group—loggers—were split between the original organizing unit, CIO International Woodworkers of America and a Red-led rump outfit, Woodworkers Industrial Union. The break came when the Communists, who have always had control of the powerful loggers' union (35,000 members), broke away from the International and tried to take the membership with them. The battle is still raging but it looks as though only a small percentage of the members followed the Reds into their independent union.

Herring Catch to be Key To B. C. Fishery Growth

(Continued from Page 33)

appearing as far north as the Queen Charlotte Islands, and the number of fishermen going out after this species has been steadily mounting. The federal government is giving encouragement, and last year a patrol boat did considerable prospecting and scientific work. Rapidity of the expansion can be measured by the fact that the 1948 catch was 21,716 cwt., compared with 7,965 the previous year. Landed value rose from $211,650 to $674,876.

WHALES:

Formation of the Western Whaling Corp. marked the first resumption of this historic pursuit since the early war years. Operations began May 30 with three killer boats, and, when the season closed Sept. 24, 184 whales had been caught. The capture was, in fact, limited only by the capacity of the company's plant at Coal Harbour on Quatsimo Sound (northwest coast of Vancouver Island). Distribution of the catch by species was: 116 Humpback, 38 Finback, 28 Sperm and two Sei.

An attempt was made to market the fresh meat of this mammal in the Vancouver market. It looks like beef, but is somewhat more oily. At a retail price in the neighborhood of 25 cents a pound, it won a limited acceptance. The bulk of the catch, however, was reduced to meal and oil.

Best type of whale for meat is the Finback, with Sei and Humpback next in line. The Sperm is undesirable for meat. The amount of meat available from the Finback variety is up to eight tons per carcass.

Groundfish (Lingcod, black cod and rockfishes) — Production reached 8.5 million pounds, compared with 1947's 7.4 million pounds. Landed value was $675,000, compared with $473,000. Production of fresh and frozen dressed groundfish totaled 5.6 million pounds (4.1 million in 1947) and filleted production amounted to 1.1 million pounds (0.9 million in 1947). With the exception of black cod (sablefish), a greater percentage of raw groundfish in 1948 was processed into fillets for marketing.

Flounders, soles, etc.—Catch of "other flatfish" reached 11.1 million pounds last year, an increase of 4.8 million pounds over 1947. Production of flatfish fillets was 2.5 million pounds, and the quantity marketed dressed 0.5 million pounds. A greater percentage of the raw fish was disposed of in the filleted form.

Shellfish—Except for clam production, which was drastically reduced last year, production of shellfish was at normal levels. Total landings of all species last year amounted to 8.0 million pounds, compared with 13.3 million pounds in 1947. Corresponding landed values were $524,000 and $475,000.

Anchovy—This fishery was a failure last year, contributing only $5,000 in landed value, against $71,000 in 1947.

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Bills' Hoist Helps B.C. Berry Growers

From Our Own Correspondent

VANCOUVER—Berry growers of British Columbia's lower mainland and Vancouver Island will continue this year to enjoy their lush market in Washington State.

Two bills in the Washington legislature, both of which might seriously hamper the export trade, have been given a hoist and probably won't reappear soon.

One proposal, Bill 176, provided for inspection, licensing and bonding. It passed the House of Representatives but failed to get on the Senate calendar.

The other, Memorial No. 16, asked the U. S. Government to study effects of Canadian imports on American growers, and to "enact any needed remedial legislation."

Of the 6,000-ton strawberry crop produced in the lower Fraser Valley last year despite the flood, some 1,700 tons were sold in Washington State.

Loss of this important market would mean a further disaster to growers here, now suffering from loss of the British market for raspberries.

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STEEP ROCK IRON MINES has granted a year extension on Mar. 1 installment of 6,000 shares at $1 a share under agreement with the company's general superintendent.

DOES YOUR SALES STRATEGY IGNORE THIS ELEMENTARY FACT?

70% of the population of B.C. lives within 75 miles of Vancouver

National Advertisers, aware of the post-war influx of men, money and machinery into British Columbia, are adjusting their sales and merchandising plans to meet the greatly expanded sales opportunities in Canada's fastest growing province.

But have they overlooked the most basic fact of all: that over 700,000 out of 1,040,000 B. C. people live within a 75-mile radius of Vancouver?

The readers of The Vancouver Daily Province earn more, spend more and consume more goods and services by a wide margin than do the average of all the citizens in this area. In the four most prosperous and able-to-buy districts of Vancouver, The Province easily dominates with coverages ranging from 65 to 86%.

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THE VANCOUVER DAILY PROVINCE

Covering the Cream of the B. C. Market

Base Metals Boom Lifts B.C. Mine Output to New Record

Iron Ore Being Added in 1949
Uranium Prospects Under Study

British Columbia's great mining industry stands a better than average chance this year of breaking its all-time 1948 output record when no less than $120 millions (net value) of new mineral wealth were turned out.

Even after giving effect to recent declines, present base metal prices—18c for lead, 18.5c for zinc, and 23.5c for copper—look very nice to the B. C. mining industry. They compare favorably with average 1948 prices realized for the British Columbia mining industry, 17.98c a lb. for lead, 13.3c a lb. for zinc and 22.23c a lb. for copper; prices which were chiefly responsible for the 1948 record as these three base metals contribute more than 70% to the value of the province's mineral production.

"Smelters" Maintains Output

All indications are that B. C. mineral production this year has been continuing at record levels. Local power cuts of 5% and 10% have had no appreciable effect on the province's leading producer, Consolidated Mining & Smelting Co., with its 8,500 employees and $24 millions annual payroll.

Assisting the province's effort to reach higher production levels are a number of new producers in the base metal and silver categories. Most important are the Reeves - MacDonald operation close to the province's south border, which is expected to be handling 1,000 tons of lead-zinc-silver ore by mid-summer, and Torbrit Silver Mines which placed a new 300-ton mill for recovery of silver in operation in the Alice Arm district last month.

Siscoe Gold Mines, the eastern producer, is taking steps to place the Silver Giant property in the Golden mining district in production while Sheep Creek is proceeding with installation of a 50-ton mill at Jack Pine for the handling of ore from the Parridice mine. Canadian Exploration Co. plans a substantial production from the Jersey zinc mine, now its Emerald tungsten mine has been closed down. Consolidated Smelters plans production for its Bluebell mine.

Start Iron Mining

Iron ore is contributing to B. C. mineral production for the first time in 1949. There is some chance of uranium production as well. Properties in the Bridge River and Hazelton areas have given evidence of uranium.

Some production of high grade iron ore has already been taken from Texada Island this year. Iron ore resources of British Columbia include 800,000 tons averaging 67% iron in the Zeballos camp, Vancouver Island, and 1,700,000 tons indicated at Quinsam Lake, V.I. On Texada Island, reserves have been estimated at two million tons.

Canadian Collieries (Dunsmuir) is undertaking diamond drill exploration of iron resources at Quinsam Lake, will consider production if results stand up.

This is but a cross-section of the growing activity in British Columbia mining which may be translated into greater mineral production. Other operations that could be mentioned include the Twin "J" mine on Vancouver Island where work is being resumed under Vancouver Island Base Metal Mines; Yale Lead & Zinc mines which is expected to make shipments from its East Kootenay properties shortly; Gwillim Lake which plans production on small scale on its Toby Creek property, Windermere District; and the already producing Vananda and Silver Standard properties, newcomers to the production scene.

Preliminary estimates of B. C. mineral production for 1948 place overall output value at $137,3 millions, $24 millions higher than the previous year. Increased prices for lead and zinc carried output value of the base metal group to a record total in 1948 even though quantities produced were below the physical volumes achieved in the wartime years of 1940 and 1941. The relative importance of the two metals has increased steadily and in the past few years they have contributed more than half the total value of mineral production. Estimated value of $92.7 millions for lead and zinc turned out in 1948 is equal to over $85 per capita for the entire province.

Value of B. C. Mineral Production

	*1948	1947	1937	1927
Lead	$57,392,160	$41,884,977	$21,416,949	$14,874,292
Zinc	35,338,100	30,147,039	14,274,245	8,996,135
Gold, placer	431,725	200,585	1,558,245	156,247
Gold, lode	9,983,750	8,514,870	16,122,727	3,679,601
Silver	4,834,781	4,109,538	5,075,451	5,902,043
Copper	9,527,778	8,519,741	6,023,411	11,525,011
Miscellaneous	5,125,814	5,360,321	1,766,617	459,514
Coal	7,500,000	8,587,380	6,139,920	12,269,135
Structural materials	7,160,000	5,896,803	2,098,337	2,867,380
Total	$137,294,108	$113,221,254	$74,475,902	$60,729,358

*Estimated.

Despite the continued difficulties facing the gold mining industry, value of both gold and silver increased last year. Some improvement in labor supply has been enjoyed by the gold mines in recent months and further improvement may be recorded in output this year if a strike does not intervene.

Silver is derived chiefly as a by-product of base metal production. With the assistance of Torbrit, silver production stands a good chance of forging ahead in 1949 irrespective of the trend of other base metal output. Outside of Torbrit, the Beaverdell camp has been the chief camp where silver has been the main constituent of the ore.

Granby Helps Copper

Chiefly because of increased capacity installed by Granby operating the Copper Mountain mine, 1949 copper output in British Columbia may show an improvement. Britannia is trying to increase output and Vananda is in production. These two may assist materially in lifting output. Copper nevertheless remains a smaller item with output value approximately $9.5 millions in 1948.

"Miscellaneous metals" is a more important item today than in 1917 when the total B. C. output in this bracket was listed at $37,000. Today production in the "miscellaneous category" includes antimony, bismuth, cadmium, tin (by-products of silver-lead-zinc mining) and tungsten. These items with sulphur, barite, fluxes, gypsum and some other minerals now have a value of about $5 millions annually. Know-how will probably continue to expand the list of minerals in this group due to British Columbia's varied mineral wealth.

Coal Output Gains

Coal output in the 1940's has averaged considerably greater than in the 1930's. Production from Vancouver Island has declined and the Crows Nest Pass Coal field has become the dominant producing area. Strip mining has become important in the Crows Nest Pass field and has permitted an output of more than a million tons a year from that field, despite the shortage of coal miners. As British Columbia becomes more mature industrially it seems reasonable to expect coal production to expand. The province has substantial untapped coal resources, including those of the Peace River area.

A surprising development in 1948 was the increase in gold production by placer mining at a time when lode gold mines were hard put to it to more than maintain their position. Dragline dredges accounted for most of the placer gold output in 1948, which was about twice that of the previous year. In 1948 a dredge began operating on McDame Creek, in northwestern British Columbia, and another a few miles north of Barkerville. The dredge of the Swift River Co. operated throughout the season, several other dredges were operated for parts of the season in the Cariboo district, and the dredge near Princeton was also operated. Lode gold output did increase in 1948, however, despite the shutdown of the Silbak Premier and Privateer mines.

Higher base metal prices are assisting materially in a resurvey of the province's base metal possibilities. They are also permitting the milling of marginal ore bodies at established mines. The trend toward treatment of lower grade ores increases the life expectancy of the average B. C. base metal mine, and is permitting conservation of higher grade ores for the time when base metal prices may be less profitable than they are today.

COMPANY REPORTS

COASTAL OILS realized a profit of $154,199 before deduction of depreciation, depletion and development write-off in the year ended Sept. 30, 1948, as against $112,407 the preceding year. After all charges, net profit was $2,050 ($4,558).

The amount due the Dominion Government on account of advances from Wartime Oils re Chinook Nos. 1 and 2 wells was reduced by $88,500 to $125,896 in the latest period.

Investments (not included in current assets) were increased over $100,000 to $260,898 and reflect purchase of 5,100 shares of Calgary & Edmonton Corp., 3,000 Imperial Oil and an increase in Federated Pete. holding to 135,800 shares.

Mechanical improvements permitted increased output from two of the company's wells.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1948	1947
Production rev.	$277,455	$232,681
Add: Other income	5,261	6,928
Less: Royalties	73,889	66,541
Total revenue	208,827	173,068
Less: Production exps.	42,728	50,558
Adm. & gen. exps.	11,900	10,103
Amort. dev. exps.	145,873	98,827
Deprec. of equip.	6,144	8,879
Depletion	132	143
Net profit & surplus	2,050	4,558
Earned per Share	$0.001	$0.002
None paid.		

CONS. BALANCE SHEET

As at Sept. 30:	1948	1947
Cash and bonds	$111,354	$130,355
Accts. rec.	13,122	29,307
Deposits	3,326	2,030
Casing & equip.	8,854	8,112
Total curr. assets	136,656	169,804
Prepaid exp.	1,949	1,793
Invests.	260,989	158,820
Production equip.	119,085	118,709
Devel. costs	948,381	859,882
Leases	277,761	279,316
Aband. wells exp.	191,681	191,681
Organ. exps.	8,216	8,216
Total assets	1,944,718	1,788,221
Total curr. liab.	6,906	7,743
Deprec. res.	94,731	88,998
Devel. res.	924,833	780,296
Deplet. res.	57,018	56,886
Common stock	893,412	893,412
Capital surplus	10,304	6,302
Less: Oper. deficit	42,486	45,416
*Deficit.		
Working capital	129,750	162,061

TOBURN GOLD MINES experienced an operating loss of $44,900 in 1948 but net profit was $2,401 ($14,110 in 1947) after allowing for $51,180 Cost-Aid.

Underground development footage was lower at 2,894 ft. with 504 ft. of new ore opened during the year. Estimated ore reserves dropped 16,500 tons after milling 45,809 tons of ore and totaled 51,500 tons averaging $17.15 a ton at year end.

Only assessment work was completed on outside properties. Results on three groups were disappointing and these were permitted to revert to the Crown.

Shareholders include 850,000 Continental Kirkland, 356,246 Beaverhouse Lake and 756,000 shares of Central Porphyry Contacts.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Prod. (less mktg.)	$496,471	$508,148
Less: Oper. exps.	541,371	482,739
Net oper. earn.	a44,900	25,409
Add: Cost aid	51,180	......
Less: Misc. loss, net	2,264	2,415
Depr. & depl.	1,349	7,384
Taxes	266	1,500
Net prof. & surp.	2,401	14,110
aLoss.		
Earned per Share	$0.001	$0.008
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash & bullion	$549,456	$546,806
Dom. bonds	17,000	17,000
Accts. rec.	31,731	19,597
Mat. & supplies	29,244	24,714
Total curr. assets	627,431	608,117
Prep. & def. chgs.	1,317	3,681
Invests.	46,347	46,347
Prop. & equip.▲	22,187	23,536
Total assets	697,282	681,681
Accts., etc., pay.	40,442	23,828
Accrued taxes	474	1,000
Total curr. liab.	40,916	24,828
Capital stock	658,000	658,000
Less: Deficit	1,634	1,147
▲After depr. & depl. of	1,000,284	998,935
Working capital	586,515	583,289

OPERATING STATISTICS

	1948	1947
Tons milled	45,809	41,849
Average recov.	$10.84	$12.14
Ore reserves, tons	51,500	68,000
Grade ($35 gold)	$17.15	$17.50

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Much of that money will go to Cominco's men and women. Some of it will go for improvements to the life in Cominco communities. Some of it will go to Cominco's thousands of shareholders in all walks of life.

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